

## PENAKUAN

“ Saya akui laporan ini adalah hasil kerja saya sendiri kecuali ringkasan dan petikan yang tiap-tiap satunya telah saya jelaskan sumbernya”

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**PENGESAHAN PENYELIA**

“Saya/kami akui bahawa telah membaca karya ini pada pandangan „saya/kami“ karya ini adalah memadai dari segi skop dan kualiti untuk tujuan penganugerahan Ijazah Sarjana Muda Teknousahawan (Kepujian)

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## DEDICATION

Firstly, thanks to God because finally my project final years already done for my first degree in bachelor of technopreneurship with honours.

My deepest gratitude for my mom (KHAIRIYAH BINTI MOHAMAD) and my father (MUHAMMED SUZUKI BIN IBRAHIM) for helped my project that has always been my prides, which is the site for my ambitions and reaps success after success. All the support and encouragement extended to me with sincerity became my inspiration to continue the struggle.

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## ABSTRACT

Marketing promotion was chosen to improve the agropreneur and SME's performance for selling perishable product for this research of the study. For this research, marketing promotion will be used to boost up the agropreneur and SME's performance in order to attract their customer intention. The type of marketing promotion must be related with the agropreneur and SME's performance in selling the perishable product. This research gain the data from any journal, articles, internet which are related with this research. For this research, marketing promotion to boost up the performance of agropreneur in selling the perishable product was selected to identify the objective in this research. The aims of this research are To identify the marketing promotion for perishable products among agropreneurs in Malaysia, To examine the relation between marketing promotion and selling behavior among agropreneurs in Malaysia and To determine the most significant marketing promotion towards selling behavior among agropreneurs in Malaysia. The research need to know about what are the types of marketing promotion which can be used for future. For the methodology, the survey and questionnaire was contributed to collect respondent answer, while data collected was analyzed quantitatively, As a result, most of the marketing promotion is significant with the selling behavior because marketing promotion can improve perishable product sales and the customer aware about the product. As a conclusion, there are 4 variables of marketing promotion will be used to implement for successful perishable product sales.

## **ABSTRAK**

*Promosi pemasaran telah dipilih oleh penyelidikan kajian ini untuk meningkatkan prestasi usahawan tani dan SME untuk menjual produk mudah rosak. Untuk kajian ini, promosi pemasaran akan digunakan untuk meningkatkan prestasi usahawan tani dan SME disamping menarik niat pelanggan mereka. Jenis promosi pemasaran mesti dikaitkan dengan prestasi usahawan tani dan SME dalam menjual produk mudah rosak. Penyelidikan ini telah mendapat data daripada jurnal, artikel, internet yang berkaitan dengan kajian ini. Untuk kajian ini, tajuk promosi pemasaran untuk meningkatkan prestasi usahawan tani dalam menjual produk mudah rosak telah dipilih untuk mengenal pasti objektif dalam penyelidikan ini. Tujuan penyelidikan ini adalah untuk mengenal pasti promosi pemasaran produk yang mudah rosak di kalangan usahawan tani di Malaysia, mengkaji hubungan antara promosi pemasaran dan perilaku jualan di kalangan usahawan tani di Malaysia dan menentukan promosi pemasaran yang paling sesuai ke arah tingkah laku di kalangan usahawan tani di Malaysia. Penyelidikan ini perlu mengetahui jenis pemasaran promosi yang boleh digunakan untuk masa depan. Untuk metodologi, kaji selidik dan soal selidik diagihkan untuk mengumpulkan jawapan responden, manakala data yang dikumpul dianalisis secara kuantitatif. Keputusannya, kebanyakan promosi pemasaran adalah signifikan dengan tingkah laku jualan kerana promosi pemasaran dapat meningkatkan penjualan produk yang mudah rosak dan pelanggan sedar tentang produk. Sebagai kesimpulan, terdapat 4 pembolehubah promosi pemasaran yang akan digunakan untuk melaksanakan untuk penjualan produk yang mudah rosak.*

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1. BACKGROUND OF THE STUDY**

In 2012, the government has placed a budget of RM 3.8 billion for the agriculture sector. This shows that the agriculture sector is the foundation of a country's economy. However, other sectors have taken place now to contribute to the country's economy but agriculture is still relevant because it is a source of income to farmers, fishermen, agro-based industries and ensures the nation's food supply remains sufficient (Malaysian Department of Statistics, 2017). Besides that, the government has implemented the country's food agro-policy 2011-2020. This policy focuses on productive, competitive, and knowledge-intensive production. It is to reduce Malaysia's dependence on imported goods as the main food of the country. This will benefit the country where it will reduce the country's outflow. In addition, direct involvement in agropreneur will further enhance the relationship between communities where it can meet the needs of the community for food sources. This relationship will result in a healthy economic environment within the country.

This study wants to make a formula for effective marketing promotion against perishable product by using marketing mix that can be practiced in the management of perishable product. Perishable product has a huge challenge that is the decline in the value of the product when the product freshness is reduced. It can also be due to the environment of the product environment are temperature and humidity. Therefore, we will show an effective marketing model for perishable product

Perishable product is a product that has short life time and it is easier to perish or lost their value of product if it exposed to the sunlight or hot environment, some of perishable product are perish because of bacteria infection. For example is dairy milk. The management of perishable product must be faster and more efficient to deliver to final consumer. But it must has well managed of marketing model to make sure that perishable product will arrived at the right time and right place. Products which do not appear fresh or in some way lack good appearance are likely to perish unsold (Rob Fraser, 1995). So, the producer are obliged to incur all the cost of perish product and also the supplier obliged to incur marketing cost of their product in order to maintain the product condition from farm to market place or consumer. The changing of market demand will effect on production of perishable product.

In Malaysia, the use of the right marketing model is only done by a few agropreneur. It is only done by supermarkets or agropreneur who have a large market only. This causes agropreneur to be vulnerable to loss of customers and businesses becoming irregular in forming an inclusive business environment. Lots of agropreneur found in Malaysia are still using incorrect marketing methods which will affect their sales results. The exposure to small marketing models causes some agropreneur to not make any changes in their product marketing.

The purpose of this chapter is to explain a bit about the background of the study paper to examine a framework of marketing model for perishable product. In addition, this chapter will also reveal the flow of this study. A problem statement, research question and research objective will also be provided in this chapter to explain the real meaning of this research objective

## **1.2. PROBLEM STATEMENT**

Products which do not appear fresh or in some way lack good appearance are likely to perish unsold (Rob Fraser, 1995). From this study, we can say that the lack of good appearance will lead to be unsold product. In Malaysia, most of the agropreneurs are not realize about the importance of protecting perishable product by implementing systematic marketing promotion that will give the positive outcomes. They are more likely not use suitable way of marketing model to selling their product and one of that is the supply chain management. So it will give bad effect on their business in order to maintain the quality of perishable product.

Much has been written about perishable product and in particular about marketing model problem for perishable product.(Hennessy, 1998) stated that the quality, variety and availability of perishable have become an order winning criteria of customers, representing the primary reasons many customers choose one supermarket over another. The supermarket will examine the winning strategy to implement their marketing model. They must determine their target market and also they has knowledge about the behavior of their customer. So, they will know how to



make pricing, promotion method and so on. In other issue, perishable products that do not have a good business network will affect the quality of the product as well as it will affect the value of the product. When the value of a product becomes low, then users will be less interested in purchasing the product. Consumers will usually focus on only one place to purchase perishable products. They make the interaction to avoid going to many places. Therefore, quality, variety and availability must be maintained to attract consumers to buy it. The problem of uncertainty in the market is very important because it can cause unsold products

Through this study, researchers want to admit that the marketing promotion that agropreneurs use to sell proper of their perishable product in Malaysia. Malaysia is a developing country in terms of business sector. This development is growing day by day. Agropreneur can make a change in their business towards a more competitive business. However, most agropreneur are unaware that they are not trying to get better - doing everything in the marketing promotion. They just make assumptions by using logic of reason only without using the right marketing promotion. Agropreneur is more comfortable non-systematic promotion method of handling their business.

### **1.3. RESEARCH QUESTIONS**

These objectives can be expressed in the following research questions:

- 1) What are the marketing promotions for perishable products among agropreneurs in Malaysia?
- 2) What are the relation between marketing promotion and selling behaviour among agropreneurs in Malaysia ?
- 3) Which are the most significant marketing promotions towards selling behaviour among agropreneurs in Malaysia ?

### **1.4. RESEARCH OBJECTIVES**

- 1) To identify the promotion strategies for perishable products among agropreneurs in Malaysia
- 2) To exermine the relation between promotion strategy and selling behaviour among agropreneurs in Malaysia
- 3) To determine the most significant promotion strategies towards selling behaviour among agropreneurs in Malaysia

## **1.5. SCOPE, LIMITATION AND KEY ASSUMPTION**

### **1.5.1. SCOPE**

The researcher is focus on which marketing promotion is suitable for perishable product as the independent variable and selling behaviour towards perishable product. The researcher wants to investigate on what kind of marketing promotion is significant for perishable product. Thus, the questionnaire will distribute to 382 agropreneurs in peninsular Malaysia. Secondly, The researcher focus on marketing promotion that can be implement on selling perishable product and also it will increase of profit of selling perishable product. Those marketing promotion will introduce in next chapter.

### **1.5.2. LIMITATION & KEY ASSUMPTION**

There are several limitations that need to face by researcher in order to analyze the marketing promotion toward agropreneur selling behaviour on perishable product. Firstly, researcher assumes that respondent has adequate knowledge to be part of respondent for primary data collection. This is because every necessary information retrived and analyze from the questionnaire answer. If the respondent simply answer without thinking, it result produce will turn out wrong and not accurate. Secondly, researcher assumes that the respondent will provide honest answer. The answer must not be influence by any other resources except from their own experience and knowledge. Thirdly, researcher assumes that the respondents more experience in managing their business as well as knew what kind of marketing promotion. The answer provide by the respondent should be justified by the respondent.

## **1.6. IMPORTANCE OF THE STUDY**

The significant of this study is to analyze the marketing promotions that significant for agropreneurs in order to selling their perishable product. From these issues, the researcher will manage to generate result of reason for agropreneur who are not use the significant marketing promotion in their business. The researcher also will finalize whether marketing promotion are relevant for selling perishable product. This research also can help in introducing significant marketing promotion to agropreneur in selling their perishable product. The agropreneur can understand the need of attracting the customer in order to selling the product and also help increase the profit and work ease for the business. In addition, this research also will give the benefit future research as it already provided the future research on statistic of the marketing promotion that significant on selling perishable product. The future research also can learn the benefit of implemented marketing promotion and develop another related research.

## **1.7. SUMMARY**

The summary of whole chapter introduced the readers of the essence that included for this research which is the background study, research objective, research question, scope, limitation of key assumption and also the significance of this research for future study. For the next chapter, the researcher will describe the finding of literature study for the previous model study on the topic.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0. INTRODUCTION**

This chapter presents literature review from different perspective from other research and this research is about the significant of marketing promotion for perishable product among agropreneur in Malaysia. The previous study will be used as reference to complete this research. This chapter will begin with National Agro-food Policy (2011-2020), definition of agropreneur, perishable product inventory and the production of agriculture. Which it will be the main reason of researcher to explore more on this research. This research is to explore what is the significant marketing promotion for perishable product that the agropreneur was implemented. The information in this chapter are retrieved from secondary data collection which are from article, journal, book and also portal.

## 2.1. NATIONAL AGRO-FOOD POLICY (2011-2020)

Ambler-Edwards et al. (2009) argue that warned that the global food system will come under renewed pressure from the combined effects of seven fundamental factors, namely population growth, nutrition transition, energy, land, water, labor and climate change. Therefore, the government has proposed a national agro-food policy as an initial step to address the changing changes to the country. The globalization process that shows the growth of the world economy has made the economy more dynamic and competitive. The agricultural sector between sector focused on the government to create the country's economic growth and to ensure adequate supply of food. In addition there is also a need to improve the competitiveness, meet the needs of skilled and semi-skilled workers, ensures adequate food supply, sustainable and attractive private investment.

Through this policy, it can focus on increasing the efficiency of the agro-food industry so that the industry is more productive, competitive, and knowledge-intensive there are 8 new approaches identified to be the main ideas:-

1. Guaranteed supply of food - sufficiency, availability, security and affordability
2. High value agricultural development.
3. Sustainable agricultural development.
4. Dynamic farm cluster, maximizing income generation.
5. Private investment catalyzes the transformation of modern agriculture.
6. Capital of smart and informal farming.
7. Modernization of farming with research and development (R & D), technology and innovation.
8. Advantages of agricultural support services

The issue of food supply guarantees became warm as food prices increased in 2008. It was the result of climate change, limited production factors and the increase in input prices. Consumer change demand led to increased food demand. It will put pressure on the country's food supply and production industry. The initiative to be done is to ensure adequate food supply and thus reduce dependence on imported food sources from abroad. Among the initiatives are:-

- improving food production through optimum use of land, sustainable plantation intensively. At the same time, agropreneur conducts large-scale vegetable and fruit planting;
- Improving access to food through provision of marketing and promotion infrastructure;
- Ensuring affordable food prices by developing a food price monitoring system and early warning system of food supplies; and
- Guarantees food safety and nutrition through the Food Based Social Security Network Program and nutrition awareness campaign.

The use of land and water resources on a regular basis will ensure optimum and sustainable production. Demand for safe and well-produced agricultural produce is a challenge for agropreneur because it needs to follow the standards set. Additionally, agropreneur should take into account the effective use of inputs and

ensures that the inputs are environmentally friendly. The key factor in the success of the agricultural sector is a strong and sustainable value chain and close ties between upstream and downstream. However, there are factors that cause the agro-industry to be ineffective. Among them are non-market production, less extensive market information usage, non-transparent pricing practices, inadequate product management (grading, packaging, and labeling), incomplete market infrastructure, multi-layered market channels and less effective branding .

## **2.2. AGROPRENEUR**

Tapping in the agriculture sector, especially in smallholders, is due to low agricultural commodity prices and stable labor and labor shortages Nurul huda (2009). The agricultural sector is an important sector in ensuring adequate supply of food in a country. This sector should be preserved and maintained to ensure that the country does not have food supply problems. According to Verhees et al., (2011), agropreneur is an individual who is not only curious and new, but he also strives to make something that has a profound impact on business growth and survival. Agropreneur is the individual responsible for implementing the agricultural sector development in terms of stabilizing the demand for agricultural goods or similar. Agropreneur is not merely a merchant, but they also have a wider role in which they need to develop the agricultural sector in a more advanced and competitive way. For example, agropreneur uses modern equipment for fertilization, harvesting and so on. This will increase the ability to produce quality and more systematic agricultural produce.