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'I/We, hereby declared that I/WE had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management (Honours with High Technology Marketing)'

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**MARKETING MIX INFLUENCE ON PURCHASE INTENTION OF FAST
FOOD.**

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**The thesis is submitted in partial fulfilment of the requirements for the award of
Bachelor of Technology Management and Technopreneurship
(Hons in High Technology Marketing)**

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DECLARATION OF ORIGINAL WORK

“I admit that this report is the result of my own, except certain explanations and passages where every of it is cited with sources clearly.”

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DEDICATION

I would like to dedicate the appreciation to respected supervisor, En. Kamarudin Abu Bakar who guided me throughout the research. Besides, I also appreciate my family members who gave me mentally and financial support throughout the research. I also appreciate my fellow friends and course mates that assisted me throughout my research.

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Abstract

In highly competitive market, it is important for fast food restaurant to study and understand preferences of consumers in order to fulfil market demand and meet expectation of customers. Therefore, research of marketing mix influence towards purchase intention is significant for marketer of fast food restaurant to grasp consumer's behaviour. The research targets to identify the category of customer influence purchase intention of fast food. Besides, this research also analyses the relationship between marketing mix and purchase intention of fast food. Then, the research aims to examine the most significant marketing mix that influence on purchase intention of fast food. Researcher will investigate influence of product, price, place/distribution and promotion in purchase intention of fast food. This is an explanatory research which use questionnaire to get feedback from 384 respondents by convenience sampling method. People who stay or work in Melaka will be chosen as respondents. The research uses descriptive analysis, Pearson coefficient, cross tabulation and multiple regression analysis. This survey denotes that young adults has great influence on purchase intention of fast food. The finding shows that all the dependent variables have significant relationship with purchase intention of fast food and the most significant marketing mix elements is price. Moreover, the result also expresses important of marketing mix for marketer to comprehend purchase intention of fast food. The result of the research is mainly suitable for marketers for fast food restaurant as well as researchers who study related studies.

Abstrak

Dalam pasaran yang persaingan tinggi, restoran makanan segera haruslah mengkaji dan memahami kegemaran pelanggan untuk memenuhi permintaan pasaran dan mencapai jangkauan pelanggan. Oleh itu, kajian pemasaran campuran terhadap tujuan pembelian adalah sangat penting kepada penjual makanan segera untuk memahami kegemaran pelanggan. Kajian ini bertujuan untuk mengenal pasti kategori pelanggan yang mempengaruhi tujuan pembelian makanan segera. Di samping itu, kajian ini juga menganalisis hubungan antara pemasaran campuran dan tujuan pembelian makanan segera. Seterusnya, kajian ini bermatlamat untuk menguji elemen campuran pemasaran yang paling penting yang mempengaruhi tujuan pembelian makanan segera. Pengkaji akan mengkaji pengaruh produk, harga, tempat dan promosi terhadap tujuan pembelian makanan segera. Ini adalah kajian penjelasan dengan menggunakan soal selidik untuk mendapat maklum balas daripada 384 responden dengan menggunakan cara pensampelan mudah. Penduduk atau pekerja yang berada di Melaka akan dipilih sebagai responden. Kajian ini menggunakan analisa deskriptif, korelasi Pearson, penjadualan palang dan analisa regresi berganda. Tinjauan ini menggambarkan dewasa muda banyak mengaruh terhadap tujuan pembelian makanan segera. Kajian ini juga menggambarkan semua variabel kebergantungan mempunyai hubungan yang penting dengan tujuan pembelian makanan segera dan elemen campuran pemasaran yang paling penting adalah harga. Tambahan pula, kajian ini menggambarkan kepentingan campuran pemasaran kepada penjual makanan segera untuk memahami tujuan pembelian makanan segera. Hasil kajian ini adalah sangat berguna kepada penjual restoran makanan segera dan pengkaji yang mengkaji kajian yang berkaitan.

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LIST OF ABBREVIATIONS

Kentucky Fried Chicken	KFC
Null Hypothesis	H_0
Alternative Hypothesis	H_1
University Teknikal Malaysia Melaka	UTeM
One-Way Analysis of Variance	ANOVA
Statistical Package for Social Science	SPSS

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CHAPTER ONE

INTRODUCTION

1.1 Background of Study

According to Malaysia Ministry of Health, fast food is demanded greatly, and fast food restaurants have their systematic procedure to serve food instantly, then marketers of fast food restaurants will use various promotion tools to advertise its service. Fast food is one of the fastest developing food categories in Malaysia. This may be contributed by its quick service and preparation time. Nowadays, fast food industry in Malaysia is mainly dominated by global franchise such as Kentucky Fried Chicken (KFC), Mc Donald, Subway, Wendy and Pizza Hut (Aiyun, et al., 2018). These popular brand name of fast food have acquired prestigious recognition in Malaysians' mind and have significant influence when they would like to select their meals.

According to American Marketing Association, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing mix is a controllable part of marketing tools that influences consumer behavior to purchase goods or service (Isoraite, 2016). Marketing mix also refers to the set of actions, or tactics, that a marketer typical uses to promote its brand or product in the market. Elements in marketing mix should have an established and coordinated systematic approach to

persuade and attract customer for purchasing the firm's product compared to competitors in relatedly long period.

According to Chumaidiyah (2014), marketing mix strategy as internal capabilities can help fast food restaurants to obtain, maintain and manage their valuable resources to generate superior customer value. Dirisu (2013) states that marketing mix strategy which is difficult be imitated by new entrance or existing competitors can achieve long term achievement for a fast food restaurant. Effective marketing mix strategy not only fulfil needs and wants of consumers but also facilitate intention of customers to consider fast food because it can create greater customer value compare to competitors (Rad and Akbari, 2014).

1.2 Problem Statement

In Malaysia, fast food is popular to be one of the major food restaurant selection due to its convenience, delicious taste and acceptable price. Other than that, management team of fast food apply advertising effectively by making fast food be valuable in price and taste so that promote customers to buy its set or package meal. Besides, the quick service of fast food and instant preparation are great welcomed by customers who have busy lifestyle.

However, the needs and wants of consumers towards fast food are changing drastically. Nowadays, customers are expecting more from fast food restaurant besides the taste of the food if they would like to purchase fast food as their meals. For examples, customers are moving toward the trend of healthy food and today fast food restaurant has new competitors among the organic food providers. It is also a big challenge to maintain fast food restaurant since fast food products contain high sodium, saturated fact, fat and cholesterol. Furthermore, the recent Budget 2019 plan to impose sweetened beverages tax may incur higher products pricing and burden the customers. This is due to the

government initiative to curb obesity problems among the country population. In this case, the customer purchase intention can be highly affected by the taxation scheme because price of fast food may increase.

Because of the volatile market, external threats and business uncertainties to maintain competitiveness, fast food restaurant must ensure its creative marketing efforts in overcoming the near future challenges. Therefore, the researcher is trying to focus on a study about marketing mix influence on purchase intention of fast food. So that, management team may be more understand about purchase intention of their target market.

1.3 Research Question

Research questions are the fundamental aspects of this research because it will then emphasize on the study, determine the related methodology and continuously guide all steps of inquiry, analysis and reporting. This study highlights the following research questions:

1. What is the category of customer influence purchase intention of fast food?
2. How strong is the relationship between marketing mix and purchase intention of fast food?
3. What does the most significant marketing mix that influence on purchase intention of fast food?

1.4 Research Objective

The objective of the study is to identify the marketing mix influence on purchase intention on fast food. In order to fully achieve the study purpose, research objectives are developed to guide through this research. The research objectives are displayed as below:

1. To identify the category of customer influence purchase intention of fast food.
2. To analyze the relationship between marketing mix and purchase intention of fast food.
3. To examine the most significant marketing mix that influence on purchase intention of fast food.

1.5 Scope of Study

The scope of study for this research is to identify the marketing mix influence on purchase intention on fast food. Elements of marketing mix that will be discussed in this research is product, price, place and promotion (Abubakar S. G. et al., 2015); (Pomeroy A., 2014) and (Chumaidiyah, 2014). Questionnaire is distributed in Melaka because Melaka is a high intense competitive market which is known as ‘paradise’ for food lovers. According to Department of Statistic Malaysia, population of Melaka is 924 500 people. Thus, questionnaires will be collected from 384 sample respondents in this research which has 0.05 degree of accuracy expressed as a proportion (Krejcie and Morgan, 1970).

The research will be conducted within a specified time-period and the instrument that will be used are the questionnaires with closed-ended questions. Demographic characteristics of respondents which can take into consideration are gender, age, ethnicity and monthly income.

1.6 Limitation of Study

1. Time constraints is one of the limitations in this research which restricts researcher to obtain more complete information. Because only few months are given for

researcher to complete a time-consuming task which is data collection from large sample size.

2. Besides, the accuracy of the result appeared to be another limitation of this study. Due to time constraints, the research study did not cover every state in Malaysia. There may have culture bias constraint because respondents may have different eating culture across states in Malaysia.

1.7 Significant of Study

1. There is high intense competition in food industry. Fast food restaurant is required to create greater value in perception of customer when compare to others direct and indirect competitors. This research assists top management of fast food restaurant to identify feedback from respondents about purchase intention of fast food which may influence consumer behavior. Customer feedback is very important for management team because they can study perception and satisfaction of customer towards their product. Then, management team of fast food restaurant can use the analysis to improve product and to compete with their competitors.
2. Besides, this study is significant to provide valuable insight for marketing professionals of other caterer or restaurateur in catering industry beside fast food restaurateur by identifying the significant elements of marketing mix that influence purchase intention of fast food. Because other caterer can analyse competitive advantage of their indirect competitor, fast food restaurants, which may helpful in their competitor analysis. Besides, they also may analyse related purchase intention of respondents in food industry for their marketing planning. Hence, the finding will help other restaurateur besides fast food restaurant to develop effective marketing strategies.

3. Other than that, the result of this research may be reference which can be handy for future researchers if they study related title. They can review analysis of this research which may useful for them.

1.8 Summary

This chapter established the foundation for this research. Researcher will carry out the research by referring this chapter. Then, researcher proceeds to next chapter for discussion of literature review and theoretical research framework based on the research foundations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section shown related issues, analysis, viewpoint and the findings of previous research in the study area. Researcher refers related website, news, conference, article, book and journal to study this research. This literature review embody discussion on consumer purchase intention and marketing mix. The success determinants from marketing mix which are related to fast food in Malaysia will be discussed. Appropriate theoretical framework and research framework which best described the theory and title will be discussed, evaluated and summarized in this chapter too.

2.2 Marketing Mix

Marketing mix includes controllable marketing elements that companies apply to create desired and greater value in the target market (Riaz, 2011). The marketing elements are generally referred to product, price, place (distribution) and promotion. Marketing mix helps company to translate marketing planning into practice, then identify the principal decision making in configuring offerings of company to fulfil customers' needs and wants.

The elements can be used in development of long-term strategies and short-term tactical programmes (Isoraite, 2016). Although four elements of marketing mix are important and related to each other, but each element has different impact on the purchase intention of customers.

Marketing mix acts as an important role in studying positive consumer purchase intention (Khan et. al, 2016). It is significant for marketing department to study and understand consumer purchase intention so that they can design suitable and effective marketing strategies by reviewing results from the research (Nayab et. al, 2017). Effective consolidation of marketing mix helps firms to achieve their desired response from customer and can permit a firm to adequately address consumers' behaviour (Pomering, 2014).

2.2.1 Product

Product can be described as physical product or service which can be offered to the market and can satisfy customers' needs and wants. If customer satisfaction towards a product can be achieved, then consumers are willing to pay for its perceived value (Singh, 2012). Product can be categorized as consumer product, necessary product, exclusive product, transgressed product and valuable product. This research will more focus on valuable product which is always be compared to others by consumers based on its product quality, product category, product packaging and response time (Aristia and Angela, 2017).

Growing number of customer demand has resulted in highly competitive market in food industry. Firms or restaurants tend to create competitive advantage by producing customer-oriented product with higher product quality, flexibility or reliable delivery (Dirisu et al., 2013). Product description such as food appearance, ingredients, packaging, taste, ingredient and extra services provided are key metrics for customers when decision