

HOW BRAND ELEMENT INFLUENCE CONSUMER BUYING DECISION
ON FAST FOOD

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The thesis is submitted in partial fulfilment of the requirements for the awards of
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APPROVAL

I hereby declare that I have read this thesis and in my opinion this is sufficient in terms of scope and quality for the award of Bachelor in Technology Management (High Tech Marketing) with Honors.

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DECLARATION

I declare that this thesis entitled “How Brand Element Influence Consumer Buying Decision On Fast Food” is the results of my own research except as cited in the references. This thesis not has been accepted for any degree and is not concurrently submitted in candidature of any other degree

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DEDICATION

I dedicate this thesis to my beloved father, Mr. Md Fadilah bin Ahmad, mother, Mdm. Zaharah binti Ibrahim, and siblings, Mr. Najib bin Md Fadilah, Mr. Fauzi bin Md Fadilah, Mr. Tajuddin bin Md Fadilah, Ms. Nurul Najuah bin Md Fadilah, Mrs Nurul Atikah binti Md Fadilah and also my beloved family.

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ABSTRACT

Fast food restaurant in one of the most turbulent market environment due to increased competition, promotion, price, quality and its trends. Due to this quick development of fast food witness the changing eating habit of youthful and grown-ups. This research is carried out the factors of brand elements and how these factors can influence consumer buying decision on fast food. The factors involve are brand name, logo, symbol, packaging and slogan. This factor might also influence purchasing power of consumer towards fast food restaurant. The instrument utilized in this research to gather the information and data which through survey question which consist of scale from 1 to 5 for each question. The respondents are 152 which are randomly selected from respondent around Melaka area. The result will show that consumer buying decision (dependent variable) on fast food and brand name, logo, symbol, packaging and slogan (independent variable) are factors that can influence consumer buying decision on fast food.

ABSTRAK

Restoran makanan segera adalah salah satu persekitaran pasaran yang paling bergelora kerana peningkatan persaingan, promosi, harga, kualiti dan trendnya. Perkembangan cepat ini menjadikan makanan segera mengubah kebiasaan pemakanan remaja dan dewasa. Penyelidikan ini dijalankan untuk mencari faktor-faktor jenama dan bagaimana faktor-faktor ini boleh mempengaruhi keputusan pembelian pengguna terhadap makanan segera. Faktor-faktor yang terlibat adalah jenama, logo, simbol, pembungkusan dan slogan. Faktor ini juga mungkin mempengaruhi kuasa pembelian pengguna terhadap restoran makanan segera. Instrumen yang digunakan dalam kajian ini untuk mengumpulkan maklumat dan data adalah melalui soal selidik yang terdiri daripada skala 1 hingga 5 untuk setiap soalan. 152 responden yang dipilih secara rawak dari responden di sekitar kawasan Melaka. Hasil kajian akan menunjukkan bahawa keputusan membeli pengguna (pemboleh ubah bergantung pada makanan segera dan nama jenama, logo, simbol, pembungkus dan slogan (pemboleh ubah bebas) adalah faktor yang dapat mempengaruhi keputusan pembelian pengguna terhadap makanan segera.

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CHAPTER 1

INTRODUCTION

1.0 Introduction / Background of Study

The first part will be clarified about the problem's statement, research objective and research question, significance of study and scope of study. The topic of this research is "How Brand Elements Influence Consumer Buying Decision on Fast Food". Basically brand elements are important to a product or services so as to differentiate with others product or service that belongs to competitors. Brand elements are elements that used to express and identify a company brand. Examples of brand elements are brand name, logo, slogan, jingle and also packaging style. Brand elements also need to be meaningful in order to enable customer to understand the meaning of the brand effectively, memorable, protectable, transferable and also adaptable. Brand elements are important for branding recognition and helps set a brand apart from the competition.

There are a few factors that can trigger consumer buying decision based on brand element factors. In this research we are discussing on five different factors which is brand names, logo, symbols, packaging and slogan. Brand name is seen as the most observed data by consumers (De Chernatony, 2010; Seimiene and Kamarauskaite, 2014). Brand name is a basic, center indication of the brand and the reason for mindfulness since the name can bring quality natural to the brand. Brand names should be effectively overseen so as to impact consumer's view of product or

enterprises' properties since it is a key to product's identity which basically leads to all brand equity.

Logos as part of visual brand elements frequently assume a significant job in structure value, particularly as far as brand awareness. Brand's visual personality is basic to building up and keeping up existence in the market. The logo is a visual icon that provides two basic functions, but is necessary for the brand identification as marker to find a explicit offer and separate how to tell which offers between each other's. After some time, they legitimately compare to the given brands. Regardless of whether they are seen from separation, or out of the side of eyes, these visual symbols are compared with the brands they speak to. This factor indirectly influences consumer buying decision towards certain products.

The sign of the non-word mark often called a symbol. Strong symbols can give solidarity and structure to recognize and make it simpler to pick up acknowledgment and reminder. They equated brand signals with that brand (Savard and Gallagher, 2010 & 2011). Symbols including visual pictures can be recalled and amazing. Its quality can be a noteworthy fixing in brand improvement and its nonattendance can be a noteworthy inability in light of the fact that every one of amazing visual picture catches huge numbers of their particular image personalities because the relationship between the symbol and element of identity has been constructed over time. Strong symbol can play major role towards consumer's buying decision.

Packing is a significant brand component, identified with the plan work and delivering holders or wrappers for the product. In the 19th century, where manufacturers began pre-packaged their goods, it was considered the beginning of modern packaging and eventually became a trend to do this. Subsequently, mass marketing was born in the United States that led to the revolution of 'profit through volume' thanks to massive packaging (Twede, 2012; Lily, 2015). In other words, attractive product packaging can be a powerful advantage in attracting consumers buying decisions.

The last factor that will be discussed in this research is slogan. The product is something that is created in the processing plant and the brand is something that the

client purchases to expand brand value and awareness sponsors using slogan (Alamgir et al. 2010; Rizwan & Tehreem, 2017). There are two factors that impact the conduct of consumers is the slogan and brand name (Kristy and Sandra, 2011).

Client conduct is impacted by various promoting strategies, for example, slogan, logos, costs and salesmen. (Juliano et al, 2011; Rizwan & Tehreem, 2017).

This research is focus on how brand element factors can influence consumer buying decision on fast food. Consumers deal with deciding to search various products to meet their demands and wants. The purchase process is important to help users identify a set of product brands, evaluate products, choose between alternatives and finally make good decisions (Sumi & Kabir, 2010; Fadilah et al, 2016). We are focusing on fast food franchise because we want to know how brand element factors can affect their business especially in Malaysia current market. We also want to know whether consumers are having knowledge about brand elements as it may affect their buying decision on fast food. We believe that some of brand elements may influence consumer buying decision on fast food.

Fast food franchises are earning increasing in number. Due to busy of work, people nowadays more tends to going eat at fast food outlets. Fast food ordinarily gives speedy administration because of predictable menu, steady and consistent quality (Jekanowski, Binkley, & Eales, 2001; Ying, 2016). For late years, fast food has turned out to be one of the real nourishment decisions for a large portion of the resident in Malaysia, or as such we called this one of the decision of the 'every day primary course' for them (Ying, 2016). Other than that, the vast majority of the fast food restaurant is a sort of universal business. (Emerson, 1990; Park, 2004; Ying, 2016). However, companies that involved in fast food industry need to compete each other in order to get their possible customers. Therefore, brand elements are needed in order to increasing popularity of name of the fast food brands. The franchise sector is expected to contributed RM 26.8 billion to Malaysia's gross domestic product (GDP) for year 2016 contrasted with RM25.4 billion or 2.6% enrolled for year 2015 and expected to develop for one year from now. It demonstrates that the expansion of GDP will influence the economy of the nation.

1.1 Problem Statement

In Malaysia, the American establishment overwhelms the fast food and café industry. It incorporates Kentucky Fried Chicken (KFC), McDonalds, An and W, Burger King, Subway, Starbucks, Dunkin Donuts, Pizza Hut, Domino Pizza, Pizza Shakeys, Kenny Rogers and many more. Among the 6000 establishment branches in Malaysia, food and beverage rule the establishment division (fast food retail is about 32%), while local fast food or nearby fast food (QSR) Restaurants worth \$ 493 million RM 1.8 billion). Major producer in fast food retail locations are KFC (46%), trailed by McDonald's (25%), and Pizza Hut (14%). (Malaysian Franchise Association, 2006; Farzana et al., 2011). Although Malaysia is a multiracial and multiracial nation, numerous Malaysians are Muslims. In this way, the chicken is exceptionally well known here on the grounds that it is free from religious confinements.

A brand is a benefit or an outline (logo, shape, shading) which is widely and proactively ensured by the organization or association through lawful methods. (Derick and Brad, 2008, Baba and Abdul Aziz, 2014). In addition, the past explores did not give normal answer with respect to the impact of brand elements on consumer's buying decision (Derick and Brad, 2008, Baba and Abdul Aziz, 2014). The primary issue we are endeavoring to clear up is whether and to what degree the brand components add to the spot brand by and large, which is an issue that remaining parts unexplored. Indeed Pike (2016) distinguishes the absence of comprehension of the viability of brand component as one of the primary research holes in the goal marking writing. Thus this study intends to evaluate whether factors of brand elements influence the buying decision of consumer (ACNielsen, 2010; Kang & Kai, 2014). An earlier study has also been conducted stated, 59% of adults in Malaysia like to eat at least once a week as it is a convenience for business people to tailor a busy lifestyle and they can get access to various range of fast food in the Malaysian market as fast food restaurants are widely distributed.

In this studies of how brand elements influence consumer purchasing decisions on fast food, consumers believe that brand element factors play a significant role in influencing them to make buying decisions especially on fast food. This is a factor that causes a drastic increment in measurable investigation of inexpensive food utilization in Malaysia. This is on the grounds that they have recalled inexpensive food is simple and less time consuming to buy than with the right restaurants. Finally, fast food has become a basic social lifestyle when consumers take care of fast food restaurants as a place to hang out.

1.2 Research Question

The question proposed to be replied in this research depend on the research objectives:

1. What are the brand elements that influence the buying decisions of fast food?
2. Which is the most influential brand element towards consumer buying decisions of fast food?
3. Is there any relationship between brand elements and consumer buying decision when making buying decision of fast food?

1.3 Research Objective

Brand element design and maintenance are getting vital as marketing tool especially in fast food services. It is fundamental for marketers to study more on brand elements in detail to gain better understanding of which brand elements is the most fundamental factor influence the consumer's buying decision. The objectives of this research are as follow:

1. To identify the brand elements on consumer buying decision on fast food.
2. To determine the most influencing brand elements on consumer buying decision of fast food.
3. To investigate the relationship between brand element and consumer buying decision when making buying decision of fast food.

1.4 Significance of Study

The significance of this study can be explained into two aspects. First this study is to figure out which brand element most impact consumer buying decision of fast food. This investigation will give more knowledge to the local marketers towards the effect of brand elements on consumer's buying decisions on fast food. Second, this study also intended to identify how brand elements factor can influence consumer buying decision on fast food. This research is significant since larger part of the past brand elements studies were not Malaysia based and various nations have distinctive culture and this research able to reflect Malaysian buying behaviour. The result from this study is valuable for marketers so they can integrate all brand elements factor into their product and enable them to identify unique brand elements to influence consumer's buying decision on fast food.

1.5 Limitation

Limitations of this research are discussed in this part. There are a couple of limitation looked by the researcher so as to get the best outcome for this research. The lack of time in preparing this research provide some challenges to the researcher since it given deficient time to wrap up the information accumulation. The survey for this research will be conducted in Melaka area which the respondent are having different background. A large portion of the respondents are presumably from scope