

SUPERVISOR'S APPROVAL

“I hereby acknowledge that this project paper has been accepted as part fulfillment for Bachelor Degree of Technology Management (High Technology Marketing)”

Signature :

Name of Supervisor : CIK ATIKAH SAADAH BINTI SELAMAT

Date :

Signature :

Name of Panel : DR HAZMILAH BT HASAN

Date :

**THE EFFECTIVENESS OF PERSONAL SELLING APPROACHES
TOWARDS CONSUMER BUYING DECISION**

RABIATUL ADAWIYAH BT MOHD BANI

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DECLARATION

“I declared that this project is the result of my own research except as cited in the references. This research project has not been for any degree and is not concurrently submitted in candidature of any other degree.”

Signature :

Name : RABIATUL ADAWIYAH BT MOHD BANI

Date :

DEDICATION

“I would like to dedicate the appreciation to my family members who fully supported me in terms of spiritual and financial, my beloved supervisor and panel who assisted me throughout the research and team mates that helps me through the journey of research”

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First of all, I would like to praise and thank to Allah S.W.T for His Greatness and permission giving me chances to finish my final year report in a limited period. Without His power, I was unable to finish my final year project I and II on the expected time.

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ABSTRACT

Personal selling can be seen in many places including shopping mall or any other event that needed by consumer to serve information about products and services. For chapter 1, the content are consist of problem statement, research questions and research objectives. From the problem statement appear, the researcher create research questions and research objectives to focus on what to study. Besides, this chapter also will discuss about the scope and limitation, significant of study. For chapter 2, the study is about the effectiveness of personal selling approaches towards consumer buying decision which is the researcher recognize the whole meaning of personal selling. Then, it followed by the variables of personal selling which is for independent variables are the approach of personal selling, the knowledge of products and the presentation of personal selling while for the dependent variable is consumer buying decision. The last part of this chapter, it will be included theoretical framework and hypothesis of the study. Then, chapter 3 will illustrate the method of the research that will be conduct by presenting the methodology, the size of population in Melaka Tengah, the data collection method by using quantitative data and questionnaire with some of the existing theories. The reliability, validity and the data analysis tools also will be explained in this chapter. Furthermore, chapter 4 will be discuss about the demographic statistics in Melaka Tengah. It will followed by the method that be used in this chapter which, correlation, multiple regression, coefficient and hypothesis testing. After these methods has been analyse, it will conclude whether the hypothesis is accepted or rejected. Lastly, for chapter 5, the content are included discussion of descriptive statistics. Then followed by, discussion of objectives, limitation and recommendation of future study.

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LIST OF ABBREVIATIONS

ABBREVIATIONS	MEANING
UTeM	Universiti Teknikal Malaysia Melaka
SPSS	Statistical Package for the Social Science
ANOVA	Analysis of Variance
MRA	Multiple Regression Analysis
IV	Independent Variables
DV	Dependent Variables

CHAPTER 1

INTRODUCTION

1.1) INTRODUCTION

This chapter presented the introduction of the research and try to figure out what problem is appear. From the problem statement, the research questions and research objectives are form. Besides, this chapter also will discuss about the scope and limitation, significant of study and also summary.

1.2) BACKGROUND OF STUDY

Presently, the growth of personal selling became decline as the existence of online marketing dominate the markets especially in business. The online marketing gain a first place in most of business because the power of viral among the users. Online marketing become one of the effective ways to create awareness among consumers especially to the new born companies in markets. Furthermore, consumers can gain a lot of information about the products or services in internet. However, the possibility for inaccurate or doubtless about a correct information because of too much of data from many sources in online marketing is high rather than personal selling. Even though personal selling become obsolete in markets but some of companies still use this platforms to promote products or services to consumers as its involves 2 ways communication.

Personal selling is one of the marketing communications tools that persuading consumers face to face to purchase particular products or services. Basically it is involve 2 ways of communication involving a person who deal with buyers to create consumer's attention. Personal selling is the most universal tools that use by many of companies and can be seen in many places. Nowadays, every company hired personal selling to represent products or services to create their brand names and to increase their popularity in market especially for a new products or services.

Direct communication such as personal selling mostly can influence consumer's buying decision. The purpose of personal selling is to create relationship between new consumers and to sustain the relationship with existing consumers. According to (Olumoko, et al., 2012) , personal selling have their own attraction to build a strong relationship between companies and consumers especially in business. Furthermore, their existence in the market contributes a lot in companies sales.

Moreover, personal selling can be seen in many places for examples in insurance services, usually companies prefer using a personal selling rather than online marketing. It is because personal selling are more accurate in giving exact information and easy to communicate directly with consumers as insurance require a lot of advices. (Olumoko, et al., 2012) also mentioned that personal selling must provide a quality services that needed by consumer so that consumers get the exact information that could fit to their current needs.

Besides, the existence of personal selling play an important role to influence consumer buying decision. Consumer buying decision is basically about process on how to choose right decision during purchasing products or services. Next, (Masimane, 2017) also stated that, in order to satisfy their needs and wants, consumers need to going through the process of choosing, purchasing, using and disposing of products or services. However, mostly consumers facing a hard situation when it is comes to purchase products or services because of too many choices. Thus, personal selling need to guide consumers to purchase a right products or services.

Frankly, buying decision appears when consumers start to identify what their needs and wants. According to the (Agago, Nittala, & Tirfe, 2015), consumers need to look through their personal and motivation factors that could affects their buying decision. Despite of variety choices of products or services in markets, consumers' needs to consider 5 steps of buying decision when choosing a products or services which is need/problem recognition, information search, alternative evaluation, purchase and post-purchase evaluation.

This 5 steps need to be consider as a key point for company to recognize what consumer's need and wants. A personal selling need to understand about consumer's behaviour especially when it comes to situation that consumer's needs a reference to make a right decision. (Khaniwale, 2015) Highlighted that consumer behaviours such as external factors (cultural and social) while internal factors (personal and psychological) can affects consumer's buying decision. So that a companies should make a deep research about consumer behaviour to produce a suitable products or services that required by a target markets.

According to (Agago, Nittala, & Tirfe, 2015), consumers make their buying decisions based on their analysis of many factors related to the product or services. The ways of personal selling deliver the message through presentation and demonstration also can effect consumer buying decision. For example, the last steps of buying decision which is post-purchase can determine the satisfaction of consumer's after purchasing the products or services. Consumer's basically compares their expectation and the real situation. If the real situation meet their expectations, so they will repurchase the products or services.

1.3) PROBLEM STATEMENT

Based on the problems found, personal selling is facing difficulty to gain consumer's trust to attract them to purchase products or services. Some of them, lack of confidence to approach and need to approach consumers in an effective ways to influence their buying decision. So that, personal selling need to put improve their opening conversation as this methods it's a good start to create brand awareness to promote products and services. (Mbugua, 2014) said that, since the first meet causes an impression on the consumers, a basic appearance such as attire, a handshake and eye contact is recommended. According to (Jr., Jr, & Dotson, 2015), a consideration for appearance still a crucial factor of success for the sales professional. The way of personal selling's grooming also build desire and attraction to the consumers. However, most of personal selling did not take care of their own personality and grooming. This type of attitude should not have in personal selling itself.

Lower knowledge about the products are also one of the issue. Personal selling need to know product or service inside out and spending a lot of time in becoming one with it, as to make a convincing sale for consumers (Ray, 2017). Product knowledge are crucial things for company and also organizations. Furthermore, to increase the duration of products or services in the market, the company need to improve knowledge and skills of the personal selling by giving them a training. Personal selling have a direct relationships to consumers so that if the consumers have lower of product knowledge, they will reduce their confidence in the purchase and increase their information research through personal selling (Vinita Sangtani, 2017)

Nowadays, consumers are more trusted to personal selling that present products or services that can give them satisfaction. It is mean the way of personal selling deliver a message or a value of the products or services to consumers so that the consumers really understand and get what personal selling are trying to say. However, most of the consumers did not give a full attention because personal selling lack of preparation while giving demonstration to consumers. According to (Cardone, 2015), personal selling are spending too much time on the offer rather than convincing the consumers that the product or services will solve their problem.

1.4) RESEARCH QUESTIONS

Purpose of this study is to discover a deeper understanding of about the effectiveness of personal selling approach towards consumer buying decision. It is important to know what is having the greatest factors on the personal selling approach that influence consumer buying decision. The main research question was answered in this study are:

1. What is the relationship between the elements personal selling approaches towards consumer buying decision?
2. What element is the most effective of personal selling approaches towards consumer buying decision?
3. How personal selling approaches affects consumer buying decision?

1.5) RESEARCH OBJECTIVES

The main objective of this study is to investigate the consumer buying decision towards personal selling approaches. Then, it seeks identify the relationship between consumer buying decision and personal selling. The objective of this study are stated as below:

1. To identify the relationship between the elements personal selling approaches towards consumer buying decision.
2. To determine which elements are the most effective between personal selling approaches towards consumer buying decision.
3. To suggest a framework of personal selling approaches that affects consumer buying decision.

1.6) SCOPE

This study dedicated to the effectiveness of personal selling approach towards consumer buying decision and it will focus on city area that have a wide range of consumers. Bandar Melaka is selected as scope of area because of consumers are more familiar with personal selling approaches. Other than that, Melaka Tengah is selected as the area of research because of the population in this states consists of different types of consumers. Thus, the researcher are easier to obtain numerous of data to evaluate about personal selling approaches in Bandar Melaka. Obviously the questions will related to the consumer's experience about personal selling approaches to them. The way of personal selling treat their consumers also including in the question.

1.7) LIMITATION

This study will be conducted in Bandar Melaka which is a crowded area. Therefore, consumers are more focusing on their shopping and some of them are rushing so that the researchers will miss a potential consumers. Thus, the sample size is quite big, so it takes long time to interpret a data.

Furthermore, the method that will be used in data collection is questionnaire. Mostly consumers did not answer the questions provided seriously. Then, some of consumers did not understand what the questions want and they give an incorrect answers so that the researcher will obtain an inaccurate data. Next, possibility of consumers did not have enough time to answer the questionnaire is high as they need to do other things through their weekend or weekdays.

Some participants were not comfortable and interested to give out valid information but with the use of anonymous questionnaires and promise for information anonymity and confidential valid and truthful data was gathered.

1.8) SIGNIFICANT OF STUDY

The significant of this study is will provide an information about the personal selling approaches can effect consumer's buying decision. Personal selling approaches can be look through by their knowledge, presentation and approaches to consumers. This study also can assist companies to understand the behaviour of their future consumer towards products or services. Then, companies can identify main factors that can influence consumer to purchase their products or services. With all this knowledge, personal selling can implement the way of consumer aware about their products or services to bring their business to success.

1.9) SUMMARY

In this chapter, the researcher trying to elaborate about research problem, research question and also try to identify the research objectives of the effectiveness of personal selling approaches towards consumer. Other than that, the researcher also recognise the significant of the study, the scope and limitation of the study to make sure this study can be accomplish.

CHAPTER 2

LITERATURE REVIEW

2.1) INTRODUCTION

This part was conduct the literature review that existing information of previous researches to find all research articles within this studies. Firstly, the study is about the effectiveness of personal selling approaches towards consumer buying decision which is the researcher recognize overall means of personal selling. Then, it follows by the variables of personal selling and lastly the relationship between both variable and summary at the last section.

2.2) PERSONAL SELLING

Personal selling is a process which a salesperson persuade consumers by using face to face methods to purchase products or services. Personal selling include two ways of communication which is between seller and buyers. This situation happens when a company hire a person who can be trusted to represent as their personal selling to deliver what products or services that the company provides to consumers. The personal selling deliver an information that required by consumers about product or service that they might needed, so that consumers will make a decision to purchase it or not. (Sunil Erevelles, 2013) said that role of personal selling affects most of sales phenomena. So the role of personal selling to give a better communication is important to attract consumer's attention.

Some of consumers are more attract to personal selling that have high confident level when communicating with them. Furthermore, interaction between buyers can create consumer satisfaction. For example, if the personal selling provide an efficient services for consumers, and feels satisfied so they will repeat to get services from the personal selling because they have a good experience with them. Personal selling need a lot of information about products or services to convince consumers to purchase it.

(Sharmaine, 2017) said that personal selling helps in gathering consumers' problems information, to adapt in terms of sales and market offer also increase purchasing chance among consumers. The problem arise among consumers can create opportunity for personal selling to handle their complaints and difficulties in using the product or services also can get the solution immediately. Furthermore, a positive relationship between consumer and personal selling can be built to increase sales also to spread benefits to them. In order to build positive relationship between consumers, personal selling need to understand what consumers needs and wants by gaining information about current situation and products demand.

Then, personal selling helps to introduce new products or services or other innovations to the target market. Mostly personal selling serve for durable products which are tangible goods that normally survive many uses for example refrigerators, machine tools, and clothing. Durable products basically needs personal selling and service, command a higher margin, and require more seller guarantees (Kotler & Keller, 2011). Without personal selling this process would be greatly slowed down, because people neither have the time nor the desire to seek out new developments.

Personal selling also can related to each part of marketing mix which is place, promotion, price and products. This marketing mix is one of the efficient ways that personal selling can use to detect consumers' needs and wants. Marketing mix is an important tool to help researcher to understand what the product or service that they can offer and how to plan for a successful product offering for consumers (Martin, 2014). Personal selling need to be well prepared about the problems or opportunities that appear in every element of the mix. They should also be aware of how these marketing mix can be used to provide effective marketing program (Todorova, 2015).



Figure 2.2.1: Marketing Mix – 4P's theory from (Christian G., 1997)

2.2.1) Products

For the products, usually it is related to the goods or services that offered by that company to satisfy consumer's needs and wants. (Išoraitė, 2016) also said that product is a physical product or service which consumer's is willing to pay. Personal selling can recover all the elements of products to convince potential consumers. Products itself cover a wide range of elements. Elements of products consist of its packaging, branding, labelling and product attributes such as good quality, style, features and design (Muchiri, 2016).

2.2.2) Price

As personal selling, price is a common things that consumers will ask and argue. Price is a value on that particular products or services or also can be said as amount that consumers willing to pay to get the products or services. As indicated by (Išoraitė, 2016), price can be the one of the factors that affecting consumer as it helps consumers to understand the value of the product or services. A price can be negotiate through consideration of the personal selling so that consumers can own it.

2.2.3) Place

Places can describe as a process that used by the company to hand over products or to serve services to the consumers. Places or can also know as distribution channel categorized into 2 parts which is direct and indirect. For directs, it is means by directly sell to consumers while for indirect selling through vendors. (Morozova, 2014) also said that channels can be short such distribution is give directly from the producer to the consumers, or either long which means by intermediaries. Basically for personal selling were in direct distribution channel.

2.2.4) Promotion

Then, personal selling itself is one of the elements in promotion. This last marketing mix helps to spread an information and awareness of the products or services to encourage of consumers to purchase. (Muchiri, 2016) said promotion allow company to communicate about their product or services to the consumers. The role of the personal selling is important to make sure that consumers receive an enough information.