

INFLUENCE OF PACKAGING ON CONSUMER BUYING
DECISION IN SNACK PRODUCT

SITI FAIRUZ BINTI AHMAD SUKI

This report submitted in partial fulfilment of the requirement of the award of the
Bachelor of Technopreneurship with Honours (BTEC)

Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka

JUNE 2019

ENDORSEMENT

“ I hereby declare that I have read through this report entitle “Influence of Packaging on Consumer Buying Decision in Snack Product” and found that it has comply the partial fulfillment for awarding the degree of Bachelor of Technology Management (Technopreneurship)”

Signature :
Supervisor's name : EN. KAMARUDIN BIN ABU BAKAR
Date :

Signature :
Panel's name : DR. IMRAN QURESHI
Date :

INFLUENCE OF PACKAGING ON CONSUMER BUYING
DECISION IN SNACK PRODUCT

SITI FAIRUZ BINTI AHMAD SUKI

This report submitted in partial fulfilment of the requirement of the award of the
Bachelor of Technopreneurship with Honours (BTEC)

Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka

JUNE 2019

DECLARATION

“I hereby declare this report entitle “Influence of Packaging on Consumer Buying Decision in Snack Product” is my own research except as cited in the reference. The report has not been accepted for any degree and is not concurrently submitted in candidature of any other degree”.

Signature:

Name : SITI FAIRUZ BT AHMAD SUKI

Date :

DEDICATION

I would like to dedicate the success of this project research especially to my parents which is my father, Mr.Ahmad Suki bin Hashim. my mother, Mrs.Arison Binti Ali. The sacrifices that they had made for me to further studies would not be enough by just submitting the report, but it is beyond that. This report also will be dedicate to them because I want to thank for all the sacrifices that they made for me while I been studies at this university. Secondly, dedication to all my siblings which have helped me a lot in term of spirit, encouragement, finance support and for giving timely advice in all the ways. I express a deep sense of gratitude to my lecturer whom also my supervisor for this Final Year Project, Mr. Kamarudin Bin Abu Bakar and also to my beloved fellow friends that give a lot of helped.

ACKNOWLEDGEMENT

First of all, I'm praise to Allah for giving me time, chances, a healthy life and opportunity to complete this research project entitled "Influence of Packaging on Consumer Buying Decision in Snack Product" fulfill the compulsory requirements of University Teknikal Malaysia Melaka (UTeM) and The Faculty of Technology Management And Technopreneurship (FPTT). Then, big appreciations to my beloved parents, Mr.Ahmad Suki Bin Hashim and Mrs.Arison Bt Ali and all my family who always give me supports in term of moral, motivation, advices and financial. It will not be easy to me to completion of my PSM without concern and support and appreciate this opportunity to express gratefulness to those who made this project successful.

In addition, my special thanks also to my supervisor, Mr. Kamarudin Bin Abu Bakar which giving me a lot of things in preparing this PSM report in session 2018/2019 on his knowledge expertise, suggestion and useful comment while completing this research project. Thus, he had spent most of his time supervising me in achieving the success and goals of this this PSM report. He works hardly as mentor, coach, counselor and motivator to ensure that I am understood.

In this opportunity, I would like to extend my thanks to all who had contributed to this PSM, directly or indirectly to complete this project successfully. Thank you for their support and encouragement. Last but not least, my friends who were doing this PSM with me and sharing our ideas. Without you all, this project will not be complete.

ABSTRACT

The aim of the study is to identify the relation between influence of packaging and consumer buying decision in snack product. In this, the Influence of packaging or the independent variables consist of Color, Material, Labelling and Graphics. The objective of this study was specifically i) Determine the variable of the influence of packaging and consumer buying decision. ii) Examine the correlation between influence of packaging and consumer buying decision iii) Investigate the relationship between influence of packaging and consumer buying decision. This study used the quantitative analysis by using questionnaire as the research instrument. Students from 1st to 4th year students of FPTT, Universiti Teknikal Malaysia Melaka consist 400 students was the target population. Therefore, a sample of 196 students was selected according to Krejcie and Morgan (1970) to answer the questionnaire. A set of descriptive statistics including graph, means, standard deviation and frequency tables were used to present the result of study. The relationship and correlation among the variables were calculated using Statistical Package for Social Science (SPSS) version 25. The expected result of the study will show that there is a positive and significant relationship between influence of packaging and consumer buying decision in Snack Product. Thus, this study provides useful insight and feedback that will benefit the snack product manufacturers.

Keywords: Packaging, Influence of packaging, Consumer Buying Decision

ABSTRAK

Tujuan kajian ini adalah untuk mengenal pasti hubungan antara pengaruh elemen pembungkusan dan keputusan membeli pengguna dalam produk makanan ringan. Dalam hal ini, Pengaruh elemen pembungkusan atau pembolehubah bebas terdiri daripada Warna, Bahan, Pelabelan dan Grafik. Objektif kajian ini adalah khusus i) Menentukan pemboleh ubah elemen pembungkusan dan keputusan pembelian pengguna. ii) Mengkaji korelasi antara pengaruh elemen pembungkusan dan keputusan pembeli pengguna, iii) Menyiasat hubungan antara pengaruh elemen pembungkusan dan keputusan membeli pengguna.. Kajian ini menggunakan analisis kuantitatif dengan menggunakan soal selidik sebagai instrumen penyelidikan. Para pelajar dari tahun 1 hingga tahun 4 pelajar FPTT, Universiti Teknikal Malaysia Melaka terdiri daripada 400 pelajar adalah penduduk sasaran. Oleh itu, sampel 196 pelajar dipilih mengikut krejcie dan Morgan (1970) untuk menjawab soal selidik. Satu set statistik deskriptif termasuk graf, cara, sisihan piawai dan jadual kekerapan digunakan untuk membentangkan hasil kajian. Hubungan Kesesuaian antara pembolehubah telah dikira menggunakan versi Statisal Package for Social Science (SPSS) versi 25. Hasil kajian yang diharapkan akan menunjukkan bahawa terdapat hubungan positif dan penting antara pengaruh elemen pembungkusan dan keputusan pembelian pengguna dalam Produk Snek. Oleh itu, kajian ini memberikan wawasan yang berguna dan maklum balas yang akan memberi manfaat kepada pengeluar produk makanan ringan.

Kata kunci: Pembungkusan, Elemen pembungkusan, Keputusan Membeli Pengguna

TABLE OF CONTENT

CHAPTER	CONTENT	PAGES
	ENDORSEMENT	i
	DECLARATION	iii
	DEDICATION	iv
	ACKNOWLEDGEMENT	v
	ABSTRACT	vi
	ABSTRAK	vii
	TABLE OF CONTENT	viii
	LIST OF TABLE	xiii
	LIST OF FIGURES	xiv
	LIST OF SYMBOL	xv
	LIST OF APPENDIX	xvi
CHAPTER 1	INTRODUCTION	
	1.1 Background of Study	1
	1.2 Problem Statement	3
	1.3 Significant of Snack Product	4
	1.4 Research Question	4
	1.5 Research Objective	5
	1.6 Scope of Study	5
	1.7 Significance of Study	6
	1.8 Limitation of Study	6
	1.9 Summary	7

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction	8
2.2 Overview of Packaging	9
2.3 Influence of packaging	10
2.3.1 Packaging colour	10
2.3.1.1 Attract Attention	12
2.3.1.2 Identity Product	12
2.3.1.3 Difference the product	13
2.3.1.4 Characteristic	13
2.3.2 Packaging Material	14
2.3.2.1 Quality Material	15
2.3.2.2 Easy unpacked	15
2.3.2.3 Creative design	16
2.3.2.4 Product protection	16
2.3.2.5 Hazard free	17
2.3.3 Packaging Labelling	18
2.3.3.1 Price	19
2.3.3.2 Clear meaning	19
2.3.3.3 Product Content	20
2.3.3.4 Readable	20
2.3.4 Packaging Graphic	21
2.3.4.1 Brand Name	22
2.3.4.2 Graphic design	22
2.3.4.3 Cartoon figure	23
2.3.4.4 Font Style	23
2.4 Consumer buying decision	24
2.4.1 Customer loyalty	24

2.4.2 Buy more	25
2.4.3 Repeat purchase	25
2.4.4 Recommend other	26
2.4.5 Satisfied	26
2.5 Theoretical Framework	27
2.6 Hypothesis of Study	28
2.7 Summary	29

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction	30
3.2 Research Design	31
3.3 Methodology choice	32
3.4 Data Collection Sources	33
3.4.1 Primary Data	33
3.4.2 Secondary Data	33
3.5 Sampling Technique	34
3.6 Data Collecting	35
3.7 Demographic Analysis	35
3.8 Sample size	36
3.9 Research Strategy	37
3.10 Research Instrument	38
3.11 Pilot Run and Context Validity	39
3.12 Time Horizon	40
3.13 Data Analysis	40
3.13.1 Descriptive Statistic	41
3.13.2 Reliability Test	41
3.13.3 Correlation Test	42
3.13.4 Multiple Regression	43
3.14 Summary	45

CHAPTER 4 RESULT AND FINDING

4.1 Introduction	46
4.2 Analysis of pilot test	47
4.3 Reliability Statistic	48
4.4 Descriptive Analysis for Demographic	50
4.4.1 Gender	50
4.4.2 Race	51
4.4.3 Years of study	52
4.4.4 Course	53
4.4.5 Type of snack product	54
4.5 Descriptive Analysis for variable	55
4.5.1 Independent variable	55
4.5.2 Dependent Variable	56
4.6 Pearson's Correlation Analysis	57
4.6.1 Correlations	58
4.6.2 Correlation analysis	59
4.7 Multiple Linear analysis and hypothesis	60
4.8 Summary	63

CHAPTER 5	CONCLUSION	
	5.1 Introduction	64
	5.2 Reliability Test	65
	5.3 Summary of Data analysis	66
	5.4 Objective result 1	67
	5.5 Objective result 2	67
	5.6 Objective result 3	68
	5.7 Limitation of research	69
	5.8 Research Contribution	70
	5.9 Recommendation	71
	5.10 Summary	72
	REFERNCES	73
	APPENDICES	77

LIST OF TABLES

TABLE	TITLE	PAGES
3.1	Determining Sample Size for a Given Population	36
3.2	Descriptive, Data Collection, and Test	45
4.1	Reliability Statistics for Pilot Test	47
4.2	Reliability Statistic for Variables	48
4.3	Reliability Statistic packaging colour	49
4.4	Reliability Statistic packaging material	49
4.5	Reliability Statistic packaging labelling	49
4.6	Reliability Statistic packaging graphic	49
4.7	Reliability Statistic consumer buying decision	49
4.8	Respondents' gender group	50
4.9	Respondents' Race	51
4.10	Respondents' Years of Study	52
4.11	Respondents' Course	53
4.12	Respondents' according type of snack product	54
4.13	Mean Score Table	55
4.14	Descriptive Statistic for Independent Variable	55
4.15	Descriptive Statistic for Dependent Variable	56
4.16	Strength of Correlation Coefficient	57
4.17	Result of Pearson' Coefficient of sub independent variable and dependent variable	58
4.18	Model Summary for Influence of Packaging and Consumer Buying Decision	60
4.19	ANOVA Analysis for Influence of Packaging and Consumer Buying Decision	60
4.20	Coefficient Analysis for Influence of Packaging and Consumer Buying Decision	60

LIST OF FIGURE

FIGURE	TITLE	PAGES
2.1	Theoretical Framework of Influence packaging and consumer buying decision in snack product	27
4.1	Respondents gender	50
4.2	Respondents' Race	51
4.3	Respondents' Year of Study	52
4.4	Respondents' Course	53
4.5	Respondents' according type of snack product purchase	54

LIST OF SYMBOL

H_0	=	Null Hypothesis
H_1	=	Alternative Hypothesis
B	=	Beta coefficient
P	=	Significant value
R	=	Point of Estimate
R^2	=	Point of Estimate Square
%	=	Percentage
SPSS	=	Statistic Package for Social Science

LIST OF APPENDIX

APPENDIX	TITLE	PAGES
A	Questionnaire Survey	77
B	Gantt Chart	84

CHAPTER 1

INTRODUCTION

1.1 Background of Study

The first wrapping paper has been designed in the form of baskets and containers since a few thousand years ago (Meyers & Gerstman, 2005). Good packaging can increase sales and profits and is an engine for consumer communication and branding. As it is used to communicate the message and values of the brand, the package design allows the buyer to identify certain symbolic uniqueness that defines the product from competitors (Nickels & Jolson, 1977). Packaging is an important part of marketing goods and services in many competitive fields. Efficient markets depend on the key role of the package as one of the sales promotion methods.

Packaging is seen as an important component of our sedentary lifestyle and how business is arranged. Packaging is the compartment of a physical thing, generally a component that can be offered for sale. For more than a decade, the often quoted statistics that consumers make 70% of brand decisions in the store boosted shopper marketing and made other advertising seem almost pointless. Packaging becomes an effective tool for distinguishing product / service from particular types of products / services available on the market (Wells, 2007). Consumers respond to packaging based on past documentation, discovered responses and personal preferences and in the highly competitive field, artistic packaging elements have invaded an valuable and special role in offering the product / service to target consumers.

Furthermore, Rundh (2005), simply found that packaging draws the attention of consumers to a specific brand, packaging improves the product appearance and affects the mindset of buyers regarding the current product or service. According to Givee (2011), an attractive looking packaging design with specific styling, images and furnishings is much more successful in gaining consumers. Most buyers will glance at a item in less than ten seconds, so packaging needed to be configured well to persuade them to buy your product in that short time. The brand will not be recognized with good perception if the packaging is not attractive because packaging is a marketing tool. So, via the innermost look, people will treat their good or bad perspective about the product.

The graphic package components play a key role in presenting the brand for many end users. The role of packaging as an tool for consumer connectivity and branding as a widening engine. So packaging aspects seem to be essential to the product and it impacts the brand. The packaging also played a crucial role in creating purchases. Having an attractive design will continue working for the industry and the product too for a long period, which will assist build a massive level of public and greatly increase obedience to the product. According to Ahmad (2012), defined packaging plays a critical role in changing today's environment due to strong competition and is similar to creating and developing relevant wrapping for the product.

1.2 Problem Statement

Packaging is regarded as an essential component representing products attractiveness. It is indeed a part of company's operation determining its image and business competitiveness. This is true in the case of snack products. Only products with appropriate packaging will be offered for sale. This process of preparing snack items is critical due to its sensitive handling in production, transportation and storage purposes. Snack goods packages embrace preservation and clear identification of the contents. Most importantly packaging helps to contain, protect and present the snacks in good state as expected by customers. Branding process may require effective packaging to further signify the manufacture's label. In fact, packaging has long served as a tool in the growing sales of impulsive buying.

Unfortunately, not all snacks products have attractive packaging. It means customers may not even notice their existence on the supermarkets shelves. Marketers may not conduct proper analysis on whether their products really appeared to customers before they been launched. As competition between snacks products is rising, many companies still fail to give more emphasize on the packaging designs, and themes. It is critical to make their snacks products unique trough packaging facelift. This effort has to make a difference for the customers buying decision. Otherwise, bad packages certainly gives bad image to the snacks producers and will make it losing its values.

A marketable snack products need good packaging. For that reason, marketers must ensure that they understand how their snacks products can be noticeable by customers. So this research will be help full for future marketing strategies related with how packaging help marketers convince the consumer to buy the products. As such, this study tries to focus on the influence of snacks products packaging element and the customers buying decision among youths in the UTeM of Melaka. Hence, the outcome of the quantitative research is intended to help overcome companies' confusion in the design aspects of their packaging and the same time increase customer's loyalty of their decision snacks brands.

1.3 Significant of snack product

A snack is a small food provider that is usually not part of the initial meal, but goods eaten around meals for delight and during relaxing. Snacks are ready-to-eat foods and come in different of types such as packaged snacks or other processed foods, as well as home-made items made with fresh ingredients Snacks have become incredibly popular due to their texture and affordability. According to Weiss *et al.* (1967), there are several and diverse classifications of snack items, such as things like chips (e.g. potato chips, corn chips), puffs (e.g. corn puffs), etc., and they account for a huge volume of bucks in the food business.

1.4 Research Question of the Study

On the basis of the aforementioned problem statement and the study objectives, the research attempts to answer the following question:

1. What are the variable influence of packaging and consumer buying decision?
2. What is the correlation between influence of packaging and consumer buying decision?
3. What is the relationship between influence of packaging and consumer buying decision ?

1.5 Research Objective of the study

The present research aims to achieve the following objectives:

1. To determine the variable influence of packaging and consumer buying decision.
2. To examine the correlation between influence of packaging and consumer buying decision.
3. To investigate the relationship between influence of packaging and consumer buying decision.

1.6 Scope of the study

Research focused solely on product packaging elements that affect consumer purchase decision of snack product in Malacca. The respondent was chosen among FPTT students, Universiti Teknikal Malaysia Melaka. This study aimed to investigate what is the influence element between packaging and customer purchasing snack food decision. Research only focuses on customer purchasing snack activities. This scope will help to see the relationship between this variable that might have an impact on the level of business or not.

1.7 Significant of the study

This study was conducted to determine the influence of snack food packaging on the customer's purchasing decision. This research reflects itself in proper way and as a useful tool for snack food marketers and distributors to direct marketing campaigns. This study can help them define the real needs and wants of customers in their actions to obtain and customer retention. The result's certainty and reliability can act as a directive for potential customer choice study in the context of Malaysia. This study will help marketing officers, marketing students, marketing researchers, authors, researchers, and snack product manufacturers strengthen their understanding of consumer purchasing decision in today's world.

1.8 Limitation of study

Sample of the study are limited to students whose study at the Faculty of Technology Management and Technopreneurship,(FPTT),UTEM that have experience buying snack product in Melaka. This research will be conduct by questionnaires as a research instrument such by using electronic surveys and face to face. Besides that, the measurement in this research were based on the items that were based on the items that were adjusted from the previous researcher. Even though the value of trustworthiness was high, is just limited to the context in the research and the loyalty in answering the questionnaires is out of control. The limitations of this research are time limitations and geographical factor. This research is given insufficient time to finish conducting the data collection. In addition, this research is going to conduct in Melaka area of Malaysia only.

1.9 Summary

The study's first chapter discusses the background of the study, the research problem, the objective, research question, limitation, and scope, and also the study's significance. Meanwhile the flow of research has shown a summary all chapters for enabling the researcher to find out the text steps that need to be done. To find out more about the independent variables and dependent variable, it will be reported and described in the following chapter.