

**THE EFFECTS OF PROMOTIONAL MIX STRATEGIES TOWARDS THE  
SALES PERFORMANCE OF HALAL FOOD SMALL BUSINESS  
ENTREPRENEURS DURING THE COVID-19 CRISIS IN KELANTAN**



**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**


## DECLARATION



I declare that this thesis entitled “THE EFFECTS OF PROMOTIONAL MIX STRATEGIES TOWARDS THE SALES PERFORMANCE OF HALAL FOOD SMALL BUSINESS ENTREPRENEURS DURING THE COVID-19 CRISIS IN KELANTAN” is the result of my own research except as cited in the references.

  
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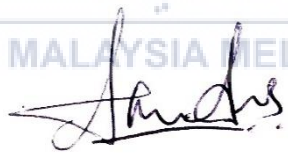
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SALES PERFORMANCE OF HALAL FOOD SMALL BUSINESS  
ENTREPRENEURS DURING THE COVID-19 CRISIS IN KELANTAN**

**AINUL ZULAIKHA BINTI ABDUL RAZAK**



**Faculty of Technology Management and Technopreneurship**

**Universiti Teknikal Malaysia Melaka**

**JANUARY 2023**

## DEDICATION

This humble work is dedicated to:

For my beloved parents, my supportive family, for the infinity love and sacrifices;

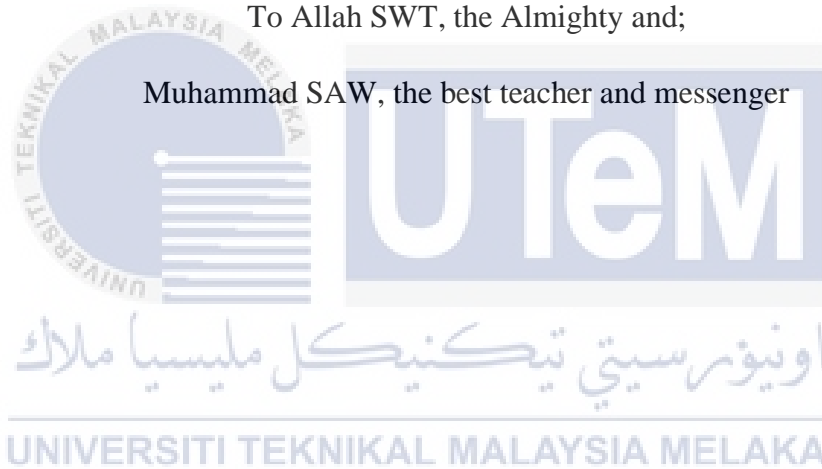
My dearest supervisor, for the never end words of encouragement;

My greatest friends, for being who they are;

And above all

To Allah SWT, the Almighty and;

Muhammad SAW, the best teacher and messenger



## ACKNOWLEDGEMENT

First and foremost, thanks to Almighty Allah S.W.T for providing me a good health, patience, and strength to do this final year project. I would like to express my sincere appreciation to the supervisor Dr. Mohd. Amin bin Mohamad and my panel Dr. Amir bin Aris, for the guidance and encouragement given throughout this Final Year Project.

Also not forget the other lecturer and my fellow friends. Without all of their encouragement, I might not be able to finish this study well within the period time given. Appreciation is also addressed to all those involved who either directly or indirectly helped to make this research project a success. Hopefully this report will be a reference source for other students in the future.

Last but not least, I want to thank me for believing in me, I want to thank me for doing all the hard work, I want to thank me for having no days off, I want to thank me for never quitting, I want to thank me for always being a giver and try to give more than I receive, I want to thank me for trying to do more right than wrong, I want to thank me for just being me at all times.

## Abstract

Company needs promotional mix strategies to promote their products and develop a more consistent company culture. This research had three objectives of a study to identify the effects of promotional mix strategies towards the sales performance of halal food small business entrepreneurs during the covid-19 crisis, to analyse the most effective promotional mix strategies for halal food small business entrepreneurs to increase their sales performance during the covid-19 crisis, to evaluate the relationship between promotional mix strategies and sales performance of halal food small business entrepreneurs during the covid-19 crisis in Kelantan. The target population is 270 halal food small business entrepreneurs from 3 districts in Kelantan which is Kota Bharu, Tumpat and Pasir Mas. The sample frame was 159 halal food small business entrepreneurs from 3 districts in Kelantan which is Kota Bharu, Tumpat and Pasir Mas. Data were collected from questionnaires and structured quantitative response was formed in the 5- Likert scale. Researchers have carried out the data analysis using correlation and multiple regression. The result endorses that sales promotions, personal selling, and public relations had significant relationship on sales performance. The regression analysis results informed a conclusion that sales promotion, personal selling and public relation has significant relationship on sales performance. The study found that majority of the halal food small business entrepreneurs agreed that personal selling is the most effective promotional mix strategies for their business. Finally, future researchers who will conduct research related to this topic can draw on findings from related literature by borrowing a leaf from the findings. These researchers can compare this research to their own to see whether it is different or still shows the same results.

## Abstrak

Syarikat memerlukan strategi campuran promosi untuk mempromosikan produk mereka dan membangunkan budaya syarikat yang lebih konsisten. Penyelidikan ini mempunyai tiga objektif kajian untuk mengenal pasti kesan strategi campuran promosi terhadap prestasi jualan usahawan perniagaan kecil makanan halal semasa krisis covid-19, untuk menganalisis strategi campuran promosi yang paling berkesan untuk usahawan perniagaan kecil makanan halal untuk meningkatkan prestasi jualan semasa krisis covid-19, untuk menilai hubungan antara strategi campuran promosi dan prestasi jualan usahawan perniagaan kecil makanan halal semasa krisis covid-19 di Kelantan. Sasaran populasi ialah 270 usahawan perniagaan kecil makanan halal dari 3 daerah di Kelantan iaitu Kota Bharu, Tumpat dan Pasir Mas. Kerangka sampel ialah 159 usahawan perniagaan kecil makanan halal dari 3 daerah di Kelantan iaitu Kota Bharu, Tumpat dan Pasir Mas. Data dikumpul daripada soal selidik dan respons kuantitatif berstruktur dibentuk dalam skala 5- Likert. Pengkaji telah menjalankan analisis data menggunakan korelasi dan regresi berganda. Hasilnya mengesahkan bahawa promosi jualan, jualan peribadi dan perhubungan awam mempunyai hubungan yang signifikan terhadap prestasi jualan. Keputusan analisis regresi memaklumkan kesimpulan bahawa promosi jualan, jualan peribadi dan perhubungan awam mempunyai hubungan yang signifikan terhadap prestasi jualan. Kajian mendapati majoriti usahawan perniagaan kecil makanan halal bersetuju bahawa jualan peribadi adalah strategi campuran promosi yang paling berkesan untuk perniagaan mereka. Akhir sekali, pengkaji akan datang yang akan menjalankan kajian berkaitan topik ini boleh menggunakan penemuan daripada literatur berkaitan dengan meminjam sehelai daun daripada dapatan tersebut. Penyelidik ini boleh membandingkan penyelidikan ini dengan mereka sendiri untuk melihat sama ada ia berbeza atau masih menunjukkan hasil yang sama.



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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF STUDY**

Malaysia is currently regarded by other Islamic countries as an Islamic country that is respectable, forward-thinking, and popular. The development of the Malaysian halal industry, which has successfully penetrated the global halal market, particularly in the food industry, has improved Malaysia's reputation. With so many business opportunities available in the halal product market, there is a lot of room for profit growth when considering the growth of the halal sector in Malaysia. Additionally, it is anticipated that the demand for halal products will increase as a result of the world's expanding population, which is anticipated to reach over two billion people by 2050 and consist of 57 mostly Muslim countries. This is also because there are now four billion consumers of halal food and goods.

In Malaysia, a number of organizations are directly or indirectly involved in halal food-related issues. According to Order 3 of the Trade Descriptions (Halal Certification and Marking) Order 2011, the competent authorities for halal certification are the Malaysian Islamic Development Department (JAKIM), the State Islamic Religious Department (JAIN), and the State Islamic Religious Council (MAIN). Major modifications to halal labelling have been made in Malaysia as a result of changes in the law's application. This is due to the Trade Descriptions (Certification and Halal Marking) Order 2011 which prohibits the arbitrary application of halal labels to food products prior to obtaining Malaysian halal certification, which can only be issued by JAKIM/JAIN/MAIN. This creates yet another problem for the environment.



When JAKIM/JAIN/MAIN are the only names listed as the competent authority for Malaysian halal certification (Mustafa Afifi et al, 2018).

In the event that halal food is misused, other agencies are still involved if the misuse falls under the purview of the agency in question. For instance, the Ministry of Health has authority over matters relating to food hygiene and safety. The Ministry of Domestic Trade, Cooperatives and Consumerism (KPDNKK) may take action and issue a compound for the offense under the Trade Descriptions Act 2011 if it involves a violation of the trade description provisions (Mustafa Afifi et al, 2018). After meeting the established requirements, the Islamic Affairs Department of Kelantan (JAHEAIK) is in charge of issuing the Certificate and Halal Logo to local Muslims who produce and consume food products, as well as to restaurants and slaughterhouses. Based on the definition of halal stipulated in the Trade Descriptions (Definition of Halal) Order 2011 only JAKIM/JAIN/MAIN is acknowledged as the competent authority in issuing halal certificates (Jalil et al, 2012).

Malaysia has created special zones to attract more foreign and domestic investment to open businesses for the production and processing of halal products in an effort to become a significant hub for the production of halal food worldwide. Malaysia, which is regarded as an Islamic nation that works to protect the rights of the Muslim community, has introduced several halal systems that have been well-received on a global scale. Many parties, including nations that are not Muslim, have adopted Malaysia's Islamic financial and banking system as well as other financial products based on Islamic law. The business community and producers, especially small business owners who are frequently involved in food enterprises and companies, must fully capitalize on the accomplishment of the nation in leading the development of the halal system in the food sector.

Small industrial businesses serve as the foundation for the nation's industrial economy. By providing a variety of strategies, programs, methods, and assistance, the government strongly encourages the expansion of small businesses. There are many examples, including the establishment of various entrepreneurship funds and venture capital, the creation of government organizations like the Small and Medium Industry Development Corporation and the Ministry of Entrepreneur Development, policy statistics like industrial master plans, program implementation like vendor

development programs, and the implementation of policies like industrial master plans. The business and entrepreneurship industries are without a doubt very challenging. A number of factors are required for commercial success, including strong financial resources, management abilities, effective staff, high-quality products and services, and, most importantly, a sizable and loyal customer base.

Since a business cannot exist without customers, marketing is the most important factor in attracting customers. No matter their background or the size of their company, all traders must deal with universal marketing issues. Another significant challenge for small businesses in the halal food sector is marketing. As a result, their marketing techniques must be prioritized. A decent product will not sell on its own without marketing, promotion, and advertising. They may not have the same cash for marketing objectives as major entrepreneurs, but they must be astute in their search for suitable business possibilities and networks. Entrepreneurs, particularly small business owners, must be highly sensitive to their surroundings. Furthermore, in order for Malaysia to become a global halal food manufacturing hub, the government must seize this opportunity by identifying the sorts of food that have a large demand.

The purpose of this study is to clarify the impact small business owners' promotional mix strategies have on the market performance of the halal food products they sell. Through the use of a survey questionnaire, information was gathered by first identifying the issues and limitations that respondents faced. As a result of this information, several marketing mix strategies have been proposed looking at their sales performance. The four Ps of marketing—price, place, product, and promotion—are defined by the marketing mix. A component of the marketing communication mix is promotion. The coordination of efforts made by sellers to establish channels of persuasion and information so that products and services can be sold, or ideas promoted, is referred to as promotion. The fundamental instruments a company uses to achieve its communication goals are elements of the promotion mix.

In the past, there were five components that made up the promotional mix: advertising, sales promotion, personal selling, direct marketing, and public relations. Along with the business world, promotion has developed recently. New strategies for communicating with customers are being developed by businesses today. This led to the incorporation of some extra promotional mix components. Included in the most

recent group of promotional mix components are advertising, direct marketing, interactive/internet marketing, sales promotion, publicity, public relations, and personal selling. This study only considered strategies for the promotional mix. The majority of integrated marketing is used in tandem with other marketing strategies that are applied across the board, like promotions and advertising.

## 1.2 PROBLEM STATEMENT

One of the fundamental forces behind a nation, including Malaysia's development, is a small business. It serves as the foundation for the growth of the economy. Additionally, this industry is a source of product innovation and more job opportunities, contributing to the growth of the gross domestic product (GDP) (Usry Abdullah, 2019). The development and stability of the economy depend on small businesses, which support the Malaysian economy. For instance, it was noted that small and medium-sized businesses (SME) contributed 36.6% of Malaysia's 2015 GDP growth (SMEs). Small and medium enterprises (SMEs) account for most businesses in Malaysia, with small businesses in the food industry playing a significant role in the national economy.

Because of consumer knowledge of Halal products consumption, the food business has a big potential to develop internationally. Entrepreneurs' successful marketing methods contributed to the growth of the food goods business. Since the COVID-19 pandemic began, governments around the globe have advised people to stay at home and engage in social distancing. This has changed customer preferences, which firms have had to adapt to stay profitable and competitive. Every business sector has been affected by the change in customer needs. This pandemic has created an economic crisis that has needed measures that have not been seen before in the world.

No organization can prepare for a crisis because every one is unique; as a result, they face crises with little experience. In light of this, the researcher hopes that this study will add to the body of knowledge about how small business entrepreneurs of halal food can weather the current economic downturn and help advance studies that will make it easier to manage crises in the future. Some small business entrepreneurs were facing the problems of general marketing characteristic in this covid-19 crisis. Marketing problems faced by small businesses include limited customer bases; limited

marketing expertise, impact, and activity; overdependence on marketing skills of owners/managers; and reactive marketing as opposed to planned marketing. Most of small business entrepreneurs lack the knowledge on how to choose and apply the most effective promotional mix strategies.

Entrepreneurs in small businesses always faced the problem of determining which strategies would be compatible with their products. A small business could not easily obtain information to carry out marketing, unlike a large business. The information collection process was difficult for small businesses. A lack of marketing information limited some small business entrepreneurs' ability to choose their optimal promotion mix (places, prices, products, and promotions). Small business entrepreneurs also have problems adapting their marketing to the internet.

Lack of marketing strategies and skills contribute to the failure of businesses, thus strengthening the argument that marketing is extremely important to ensure business growth. By using social media to communicate with customers directly, businesses can combat the problem of communication between them and their target markets. Through social media channels, businesses were able to increase awareness, boost sales, and build loyalty, suggesting that social media offer effective marketing opportunities when it is integrated as a marketing channel.

### **1.3 RESEARCH OBJECTIVE**

The general objective of this study was to identify what are the effects of promotional mix strategies towards the sales performance of halal food small business entrepreneurs during the covid-19 crisis in Kelantan.

The objectives of this study are:

1. To identify the effects of promotional mix strategies towards the sales performance of halal food small business entrepreneurs during the covid-19 crisis.
2. To analyse the most effective promotional mix strategies for halal food small business entrepreneurs to increase their sales performance during the covid-19 crisis.
3. To evaluate the relationship between promotional mix strategies and sales performance of halal food small business entrepreneurs during the covid-19 crisis.

## **1.4 RESEARCH QUESTION**

The following research questions guide the objectives of the study:

1. What are the effects of promotional mix strategies towards the sales performance of halal food small business entrepreneurs during the covid-19 crisis.
2. What are the most effective promotional mix strategies for halal food small business entrepreneurs to increase their sales performance during the covid-19 crisis.
3. What is the relationship between promotional mix strategies and sales performance of halal food small business entrepreneurs during the covid-19 crisis.

## **1.5 SCOPE AND LIMITATION OF THE STUDY**

The study covers on the effects of promotional mix strategies towards the sales performance of halal food small business entrepreneurs during the covid-19 crisis in Kelantan. The target population was 270 of halal food small business entrepreneurs in Kelantan. The research scope is including the small business for halal food entrepreneurs in Kelantan, Universiti Teknikal Malaysia Melaka (UTeM) library and internet. The research scope was focus on halal food small business in Kelantan because as we know, Kelantan area is very famous with the small business and almost all the business in Kelantan is about the halal food businesses. The halal food business in Kelantan also were commonly famous among Malaysians because of the tasty taste and the offered price was affordable. Universiti Teknikal Malaysia Melaka (UTeM) library and internet were used as a medium to find the additional information such as previous research and journals that relate to this study.

The limitations of the study were all the samples are only in Kelantan. The data were collected only at several district in Kelantan like Kota Bharu, Tumpat and Pasir Mas. Comparing the data collected by each state in Malaysia with the data collected from the entire population in Malaysia, the subjects may not be good enough to generalize the whole population. Another limitation was the time spent on recruiting and distributing questionnaires. Additionally, entrepreneurs were unwilling to respond and return the questionnaires. The respondents were encouraged to ask questions they did not understand, and this led to many of them replying and returning the questionnaires.

## **1.6 SIGNIFICANT OF THE STUDY**

### **1.6.1 Researcher**

Through the course of this research, the researcher learns more about the courses provided by Universiti Teknikal Malaysia Melaka (UTeM) and the skills they equip their students with. In order to improve sales performance for small businesses selling halal food, the researcher was able to acquire knowledge and experience about the most successful promotional mix strategies. Along with enhancing their research abilities, researchers will also increase their knowledge, comprehension, and knowledge of the variables. Additionally, the researcher is aware of Kelantan's small halal food businesses' promotional mix strategies.

### **1.6.2 Public**

This research will be useful for people who want to work as managers, leaders, or entrepreneurs in the future. Marketing managers and entrepreneurs will be able to gain an understanding of promotional mix strategies and determine which is most appropriate for their business and how to best use them to gain a competitive advantage as a result of this research.

### **1.6.3 Universiti Teknikal Malaysia Melaka (UTeM)**

If a mistake is made, the findings of this study can be applied to come up with some solutions and implement corrective measures. In addition, the ability can be improved so that students comprehend how the best promotion mix strategies work to boost sales performance.

### **1.6.4 Future Researcher**

Future researchers who will conduct research related to this topic can draw on findings from related literatures by borrowing a leaf from the findings. These researchers can compare this research to their own to see whether it is different or still shows the same results. In addition to that, this research can be used as a reference by future researchers.

## 1.7 SUMMARY

This study looks at the selection of promotional mix strategies' effects on the sales performance of small business halal food entrepreneurs during the COVID-19 crisis in Kelantan. Sales performance for halal food small businesses can be improved with the best selection of promotional mix strategies. According to this study, which focused on Kelantan's small-scale halal food industry, there were a number of issues. Public relations, personal selling, direct marketing, sales promotions, and advertising were all part of the promotional mix. Researcher determines what the effects of promotional mix strategies are on the sales performance of small-business owners selling halal food during the COVID-19 crisis in Kelantan based on these five variables.



## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

The related literature on the effects of promotional mix strategies on the sales performance of small-business owners selling halal food is reviewed in this chapter. This literature was presented by a variety of researchers, scholars, analysts, and authors. The study's underlying theories are also presented in this chapter.

