

UNIVERSITY TECHNOLOGY MARA KELANTAN

KOTA BHARU BRANCH

"FACTORS THAT INFLUENCE CUSTOMER'S PURCHASE INTENTION

OF ORGANIC AND HEALTHY FOOD IN KOTA BHARU"

MUHAMAD HAFIZUDDIN BIN MAT NAWI

2009729135

BACHELOR OF BUSINESS ADMINISTRATION (HONS) MARKETING FACULTY OF BUSINESS MANAGEMENT UNIVERSITY TEKNOLOGI MARA KOTA BHARU CAMPUS

ACKNOWLEDGEMENT



"With the name of Allah, the Most Merciful and Most Compassionate"

Alhamdulillah, Thanks to Allah S.W.T, that willing give me the opportunity to complete this Project Paper (MKT662). Firstly, a special thanks to my advisor, Madam Hadhifah Fadlina Bt Ismail who being so supportive, patient, and give a good criticism when supervising my work. Thanks also to my second examiner, Prof Madya Mohd Nasir Muda for his support and guidance in completion this research. Without their criticism and ideas, I cannot successfully complete this research.

I also want to thank and appreciation to my parent, family and friends for their cooperation, encourage, suggestion and full of support that enable me to complete this study successfully.

My appreciation then goes to the whole 120 respondents which are Binaraya PKINK staffs, Telekom Malaysia Pengkalan Chepa branch staffs, Teachers from Sekolah Kebangsaan Parang Puting and Sekolah Menengah Kebangsaan Kemumin which participating and give good cooperation while researcher tries to gather information through questionnaire.

Last but not least, thanks to everyone who involved directly and indirectly in helping for completing this report. Without all of you, I'm sure that this report cannot be done completely in the given period.

Thank you.

ABSTRACT

The aim of this study was to examine the factors that influence customer's purchase intention of organic and healthy food in Kota Bharu. There are five (5) independent variables that been studied, which were health consciousness, the attitude, product info and labeling, food safety concern and perceived value. This study also was conduct to examine the underlying factors that might be influence the customer's intentions to purchase the organic and healthy food products. Moreover, questionnaire had been used in order to get feedback from respondents. Researcher had distributed 120 questionnaires to Binaraya PKINK staffs, Telekom Malaysia Pengkalan Chepa branch staffs, Teachers from Sekolah Kebangsaan Parang Puting and Sekolah Menengah Kebangsaan Kemumin. The sampling is convenient sampling. The method that been use are simple convenient sampling. The data collected was then tested on its frequency and reliability analysis. The correlation analysis was used to test the hypothesis in this study. The finding on reliability was good and it considers that all dependent are acceptable. The findings of this paper suggest five factors are significant for explaining the factors that influence customer's purchase intention of organic and healthy food in Kota Bharu. Based from the results obtained in this study, researcher suggests some recommendations like make the further research to get more accurate result in the future. It also recommend that make the organic and healthy food awareness among customer and reducing the price will attract more customer purchase intention of organic and healthy food

TABLE OF CONTENTS

| CONTENTS | PAGE |
|-----------------------|-----------|
| DECLARATION OF WORK | i |
| LETTER OF TRANSMITTAL | ii |
| ACKNOWLEDGEMENT | iii |
| TABLE OF CONTENTS | iv – viii |
| LIST OF TABLES | ix – x |
| LIST OF FIGURES | xi |
| ABSTRACT | xii |

CHAPTER 1: INTRODUCTION

| 1.0 | INTRODUCTION | 1 |
|------|----------------------------|---------|
| 1.1 | BACKGROUND OF THE STUDY | 1 – 3 |
| 1.2 | PROBLEM STATEMENT | 3 – 5 |
| 1.3 | OBJECTIVES OF THE RESEARCH | 6 |
| 1.4 | RESEARCH QUESTION | 7 |
| 1.5 | RESEARCH STRUCTURE | 8 |
| 1.6 | RESEARCH HYPOTHESIS | 9 – 10 |
| 1.7 | THE SCOPE OF THE STUDY | 10 |
| 1.8 | SIGNIFICANT OF THE STUDY | 11 – 13 |
| 1.9 | LIMITATIONS OF THE STUDY | 13 – 14 |
| 1.10 | THEORETICAL FRAMEWORK | 15 - 16 |
| 1.11 | DEFINITION OF KEY TERMS | 17 - 20 |

CHAPTER 2: LITERATURE REVIEW

| 2.0 | INTRODUCTION | 21 |
|-------|---|---------|
| 2.1 | PURCHASE INTENTION OF ORGANIC AND HEALTHY FOOD | 21 – 23 |
| 2.2 | CONCEPT OF PURCHASE INTENTION OF ORGANIC AND HEALTHY FOOD | 23 |
| 2.3 | FACTOR INFLUENCING PURCHASE INTENTION | |
| 2.3.1 | HEALTH CONSCIOUSNESS | 23 – 27 |
| 2.3.2 | ATTITUDES | 27 – 29 |
| 2.3.3 | FOOD INFO AND LABELING | 29 – 32 |
| 2.3.4 | FOOD SAFETY CONCERN | 32 – 33 |
| 2.3.5 | PERCEIVED VALUE | 34 |

CHAPTER 3: RESEARCH METHODOLOGY

| 3.0 | INTRODUCTION | 35 |
|-------|------------------------|---------|
| 3.1 | RESEARCH DESIGN | 35 – 36 |
| 3.2 | SAMPLING TECHNIQUE | 36 – 38 |
| 3.2.1 | SAMPLING UNIT | 37 |
| 3.2.2 | SAMPLE SIZE | 37 |
| 3.2.3 | UNIT OF ANALYSIS | 38 |
| 3.2.4 | TARGET POPULATION | 38 |
| 3.3 | DATA COLLECTION METHOD | 38 – 42 |
| 3.3.1 | PRIMARY DATA | 39 – 41 |
| 3.3.2 | SECONDARY DATA | 42 |