

A CONTRIBUTING FACTOR THAT AFFECTING CUSTOMER PURCHASING BEHAVIOUR

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Abstract

This paper is about a contributing factor affecting customer purchasing behavior among student at UniKL MITEC. The purpose of this paper is to paper a pricing strategy that influence on the customer purchasing behavior. Then, this paper also focus to paper regarding which packaging elements listed that affect the most on customer purchasing behavior. Furthermore, this paper may help any company that involved in selling products that related with fast moving consumer goods (FMCG). In addition, this paper had used a questionnaire as the main source to obtain a data. The questionnaire had been distributed to the selected respondents through on-line survey to students from UniKL MITEC from Industrial Logistics Section and the data was collected from a sample of 130 student. Last but not least, the data was analyzed by using SPSS statistical software to confirm the result of the paper.

Index Terms -- Customer, Purchasing Behavior, Packaging, Pricing

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INTRODUCTION

Nowadays, there is an aggressive competition between many different companies in order to get many customers and to keep sustain in the industry. It is an on-going task for the company/businesses because each of them are using different methods to sustain their customer's loyalty and get sustainable profits. A proper strategic plan is needed in any organization to create, monitor and measure their success. A good strategy not only help the company to sustain and get more customer but it also help the company to understand the changes that happen in the industry.

A study on customers purchasing behavior has a significant role in understanding the factors that may affect customers' purchasing decision. There are a lot of factor that can influence customer purchasing behavior includes packaging pricing, culture, marketing and many others. All the listed factors are importance and play significant vital roles in the business. Each of the factor including packaging and pricing trend or role can be directly affected depending on current environment in the industry.

The role of packaging has changed because there is changing in customer lifestyle during shopping and making decision to purchase any items. On-line purchasing behavior has affected the decision making. Advertisers focus on the beauty of the packaging of the product, psychologically determine the decision making. Besides that, pricing strategy also keeps changing due to customer behavior during make e decision to purchase any product or services. It is importance to have good pricing strategy in order to minimize their cost and generate maximum profit in a healthy business way.

Customers need to take many decisions in their daily life and one of them is the purchasing decision. The decision to purchase some products is depending on the necessity of the product in their daily life. Customer motive relates to a wide spectrum of wants and needs. Customer motivation to make a decision regarding any purchases is an internal state that drives people to identify and purchase products or services that fulfill conscious and unconscious needs or desire. The fulfillment of the needs or desire can motivate and drive customer to make a repetitive

purchase on the same product or find out the different goods or services to fulfill all those needs and wants in better way.

In addition, understanding customer purchasing behavior is very important task for a company to ensure they can influence customer attention. The study which related with consumer purchasing behavior become extremely important and essential in any business field as it helps firms to construct more smarter strategies by getting an insight about what factors that affect the decision making of consumers. Technically, more knowledge and data are required in order to understand customer need and wants as well as to have better understanding regarding the customer behavior during make decision for purchase any products that available in market.

PROBLEM STATEMENT

Purchasing decision is one of the difficult decisions which need to be decided by a people who make purchases day to day. It is become harder because each of a customer decision is influenced by many things and factors.

Limited time is one of the issue or problem that involved in customer purchasing behavior. Here and now, a customer comes from different types of background, including working person, full-time housewife as well as student. All these types of customers have very limited time to purchase any kind of product in market for each shopping session, so it is important to determine how packaging able to influence customer purchasing behavior.

Then, pricing also becomes one of the issues in purchasing decision among the customers. It happen because from a point view of a customer, nowadays it has become quite difficult to make purchasing decision as a result of so many available of price option which are so close in comparison.

So, customers are struggling to decide on what they should spend their money.

Customer purchasing behavior is extremely importance for many companies because it will determine company survival in the industry. Besides that, it also needed to measure the impact of

pricing strategies on customers' psychology and on their purchasing behavior accordingly.

OBJECTIVES

The objectives of this paper are:

- a) To study pricing strategy that influence on the customer purchasing behavior.
- b) To study which packaging elements that effect on the customer purchasing behavior.
- c) To examine the most dominant factor that influence customer purchasing behavior.

RESEARCH QUESTIONS

- a) How pricing strategy can influence on the customer purchasing behavior?
- b) What is packaging elements that effect on the customer purchasing behavior?
- c) What is the most dominant factor that influences customer purchasing behavior?

USE OF SIMULATION SOFTWARE

SPSS software had used to analyses the data that had collected from all the selected respondents at the UniKL MITEC. The data were analyzed according to the following steps:

Customer Purchasing Behavior

Customer purchasing behavior is related with an attitude or act of the customer before they purchase any products. Customer purchasing behavior also refers to customer preference, intentions and decisions in the market when purchasing a product or services that available in many different brands. According to Kotler and Keller (2012), consumer behavior is a paper that closely related with how a group of people or individual and organization make a selection regarding any purchasing, uses of a product or service that provide by any company in the market. Each of the decision that had been made by a customer is important towards the company profit as well as to the customer itself since the purchased made is to satisfy the needs and wants of the customer.

In addition, according to Hussain Al-Salamin and Eman Al-Hassan (2016), stated that customer purchasing behavior can be described as a thought, feelings and actions that each of customer will considered and has during or before they make any decision regarding the purchasing the product or services offered. As a result, all the decision that been made by a customer is directly or indirectly influenced by the action and behavior of the customer all along the way of purchasing process happened. Kindly refer to Figure 1

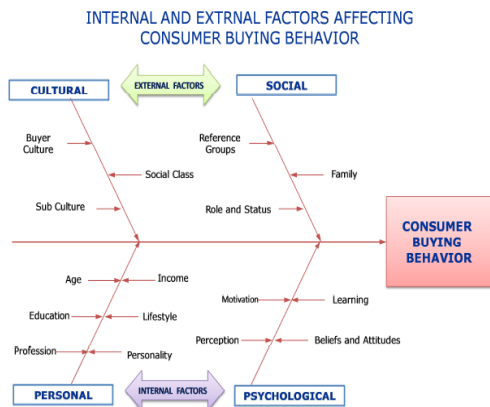


Figure 1. Internal and External Factors Affecting Consumer Buying Behavior

Furthermore, social, psychological, personal and culture are the factors that always been related with the factors that influencing customer purchasing behavior. This paper presenting Packaging factors as the main affecting purchasing behavior.

Packaging

Packaging is about a materials that been used to protect goods especially during deliver goods from one place to another place. Packaging also plays a crucial role in the logistics industry. According to Rundh, (2013) stated that packaging is important factors in any business since it will affect the customer decision in term of purchasing and also the packaging act as a communication tools of the product. It can influence customer decision because the packaging that able to attract more customer will get more attention and the chances that customer will pick that product is higher. Then, packaging with good information also can attract more customers since it will help the customer to identify the product easily as well as keep the customer satisfied because all the information needed like who are the manufacture, where they are manufactured and other information regarding the product is already been displayed at the packaging of the product.

Packaging Element

Packaging must consists of a few elements to ensure it is attractive to attract the customers. Kuvykaite (2009) emphasized that all the elements that contained in the packaging also become the factors that contribute towards customer decision. It is because each of the elements in the packaging play crucial role for example, nice color, good labeling and other elements may make the product look much better than other product that have poor packaging elements. Next, Fadzilah (2016) also stated that the elements that available in the packaging have influence the customer in many different aspects. Some of the elements like packaging color may capture the consumer attention and can influence the customer to purchase the product with a good packaging instead of other product.

Packaging Labeling

Bed Nath Sharma (2008) mentioned that packaging labeling is important same as a packaging because packaging and labeling is required to ensure the product easily discover by the potential purchasers. Basically, labeling and packaging have different role but to have good packaging both of packaging and labeling is needed because packaging is require to protect the goods in order to ensure the quality of the product is guaranteed while the packaging labeling is require to ensure it can deliver all the information needed regarding the product to all the customers and influence customer to purchase the product. Please refer to Figure 2.



Figure 2. Packaging Labeling

Packaging color

When it comes to packaging, color is one of the most important elements as it can be an attraction element of the product. A good color combination at the packaging will give many impacts and can be a key for the success of the product. However, a poor color choice/presentation put in packaging may result too many

negatives things including the package design may be ignored and cannot attract more customers.

Color is one of the important element in product and stimulates and influencing consumer purchasing behavior. Consumer responds to the different colors based on the psychological implications and biological stimuli. So, it shown the important of having good color display on the packaging and so on since it has direct influence to the potential customer.

According to Saeed et al., (2013), stated that packaging color is extremely important because color packaging can draw attention of the customer. It shown that, the more attractive or color that used at the packaging, the more customer will able to notice the packaging. Then, many other companies and brands are using color as a strategy to make their product looks good as it is closely related with customer perception towards the brand.

Packaging Material

Packaging material is a material that used by any company in the packaging such as corrugated boxes in single, double triple layers. Main reason is to protect the products but the external presentation of the boxes is virtually important. It is important to use proper and high quality material since it may give directly affect towards the goods that contain in the packaging.

Moreover, the material used in packaging also important as it can be an indicator by a customer to determine the quality of the product inside the container. It can happen because most of the customer will always think the better quality of the material used in packaging, the product in the package will be in much better condition.

According to Deliya & Parmar (2012), packaging elements such as packaging material and other elements is important especially in the current trend where there is changing in customer purchasing lifestyle. All the elements including packaging material is important since nowadays packaging act as a marketing tool and sales promotion. A good packaging material also can increase the number of sales as well as a most basic element in packaging in influencing customer purchase decision.

METHODOLOGY

As this paper is related with customer perception about factors that affect customer purchasing behavior, it has been decided to use quantitative method in order to obtain the data. Quantitative is an empirical investigation. Besides that, the respondent have been explained by the researcher about the question and so on. The questionnaires were constructed to identify the factors that affect customer purchasing behavior.

Deductive Approach

This design is crucial to properly identify the respondents and number of sampling. Please refer to Figure 3

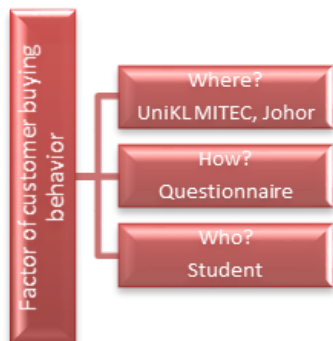


Figure 3. Respondents Deductive

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	283	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	373
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

Note: N is Population Size; S is Sample Size
Source: Krejcie & Morgan, 1970

Figure 4. Krejcie & Morgan Table

Data Analysis

Descriptive statistic

Descriptive statistics is about short summaries regarding the sample and measures of the data. It also makes the data interpretation become easier because it will summarize all the data collected into a bar graph, histogram and many other ways that make the result of the paper is easy to be understood by other people. Mean, median and mode are the most recognized types that usually be used in a research. Figure 4 Krejcie & Morgan Table for sampling determination

The survey form had distributed to the 130 respondents that have experience of purchasing process which most of the student have this kind of experience and survey had distributed at Unikl Mitec's area. The survey was distributed by hard copy to the Unikl Mitec's student. Unfortunately, it was not easy to gain the 130 respondents at short periods. The researcher needed to going to Student Center after finished class to collect the respondents' feedback about factors that affect customer purchasing behavior to support this paper. Please refer to Table 1.

Table 1. Gender

Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	12	40.0	40.0
Female	18	60.0	100.0
Total	30	100.0	100.0

Reliability Test

Reliability test was to measure the internal consistency. Normally cronbach's alpha use to measure the reliability (Imbeah, 2012). It was use when there were many multiple of question in the survey. There will have scale in each question. From that, the reliability test can be measure. Please refer to Table 2 Case Processing Summary and Table 3 Reliability Statistics.

Table 2. Case Processing Summary

	N	%
Cases Valid	130	100.0
Excluded ^a	0	.0
Total	130	100.0

Table 3. Reliability Statistics

Cronbach's Alpha	No. of Items
.869	37

Normality Test

The normality tests are used to determine whether a data set is well modelled by a normal or not, or to compute how likely an underlying random variable is to be normally distributed (Henry and Thode, 2002). The normality test was performed using Skewness and Kurtosis to confirm the data distribution in proper distribution. According to Balanda et al. (1988), data is said to be normally distributed if the range of skewness and kurtosis lies within -3.0 and + 3.00 respectively. Please refer to Figure 5 Histogram for Normality Test respectively

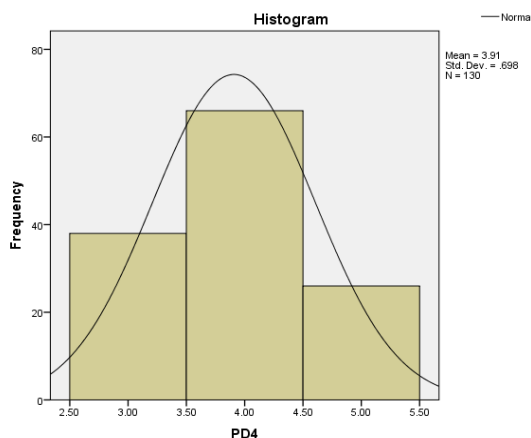


Figure 5. Histogram for Normality Test

Correlation Analysis

Correlation analysis is used to analyze the strength of relationship between the independent variables and dependent variable. This correlation analysis is to determine whether the relation is significant positively reaction or vice versa. Refer to Table 4

Table 4. Correlation Analysis

		Correlations						
		labelling	color	design	material	bundle	Psychological	CBB
labelling	Pearson Correlation	1	.475**	.258*	.128	.572**	.148	.113
	Sig. (2-tailed)		.000	.003	.148	.000	.093	.199
	N	130	130	130	130	130	130	130
color	Pearson Correlation	.475**	1	.664**	.488**	.477**	.258**	.137
	Sig. (2-tailed)	.000		.000	.000	.000	.003	.120
	N	130	130	130	130	130	130	130
design	Pearson Correlation	.258*	.664**	1	.555**	.374**	.247**	.123
	Sig. (2-tailed)	.003	.000		.000	.000	.005	.165
	N	130	130	130	130	130	130	130
material	Pearson Correlation	.128	.488**	.555**	1	.346**	.375**	.221
	Sig. (2-tailed)	.148	.000	.000		.000	.000	.011
	N	130	130	130	130	130	130	130
bundle	Pearson Correlation	.572**	.477**	.374**	.346**	1	.378**	.172
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.051
	N	130	130	130	130	130	130	130
Psychological	Pearson Correlation	.148	.258*	.247**	.375**	.378**	1	.260**
	Sig. (2-tailed)	.093	.003	.005	.000	.000		.003
	N	130	130	130	130	130	130	130
CBB	Pearson Correlation	.113	.137	.123	.221	.172	.260**	1
	Sig. (2-tailed)	.199	.120	.165	.011	.051	.003	
	N	130	130	130	130	130	130	130

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

CONCLUSION

Labeling of packaging has significant positive relationship with design, color of packaging and also bundle pricing. Then, colors of packaging also have positive relationship with the material, labeling and design of packaging as well as bundle and psychological pricing.

Additionally, in term of design it has significant positive relationship with labeling, color, material, bundle pricing and also psychological pricing. Next, material of packaging has positive relationship color and design of packaging and also bundle and psychological pricing. In term of bundle pricing it has positive relationship with design packaging as well as all the elements of packaging while psychological pricing has positive relationship with packaging design, material and color, bundle pricing and customer purchasing behavior.

Last but not least, customer purchasing behavior has positive relationship with psychological. So, technically each of the elements of packaging and pricing factors are significantly related and have a positive relationship. Furthermore, with the extensive usage of on-line purchasing the role of packaging color is extremely important to attract customers

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