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**EXPLORING SMALL AND MEDIUM ENTERPRISES (SMEs) FOOD
PACKAGING AS A TOUCH-POINT TO PROMOTE NATION BRANDING
AT KUALA LUMPUR INTERNATIONAL AIRPORT (KLIA)**

TAN SI MIN



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**THESIS SUBMITTED IN FULFILLMENT OF THE REQUIREMENT FOR THE
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ABSTRACT

The purpose of this study is to investigate the potential of national identity to be used as a promotion factor by Malaysian Small and Medium Enterprises (SMEs), through its food packaging. The Kuala Lumpur International Airport (KLIA International Airport, KLIA) was chosen as the target location because the airport has the potential to trigger impulsive buying behaviors among customers. Qualitative approaches through semi-structured interviews were used as data collection. This study involves 15 respondents involved, comprising ten international students, three graphic designers, and two experts in the field of advertising and branding. Grounded theory is used in the process of analyzing data by dividing data into respective categories and codes. This study identifies three important categories comprising of country of origin (COO), semiotic, and combined elements (COO and semiotic). The findings show that the use of national branding in PKS food packaging is able to promote national identity and national branding effectively. This study suggests that SMEs should invest in packaging as it is one of the most important elements for brand building and productive aspects for products and countries.





EKSPLORASI PEMBUNGKUSAN MAKANAN PERUSAHAAN KECIL DAN SEDERHANA MALAYSIA (PKS) BAGI MEMPROMOSIKAN JENAMA NEGARA DALAM LAPANGAN TERBANG ANTARABANGSA KUALA LUMPUR (LTAKL)

ABSTRAK

Tujuan kajian ini adalah untuk menyelidiki potensi identiti nasional yang akan dipromosikan oleh Perusahaan Kecil dan Sederhana Malaysia (PKS) melalui pembungkusan makanannya. Lapangan Terbang Antarabangsa Kuala Lumpur (Kuala Lumpur International Airport, KLIA) dipilih kerana lokasi di lapangan terbang berpotensi sebagai pencetus tingkah laku pembelian impulsif kepada pengguna. Pendekatan kualitatif melalui temuduga separa berstruktur digunakan sebagaikaedah pengumpulan data. Kajian ini melibatkan 15 responden yang terlibat iaitu terdiri daripada sepuluh pelajar antarabangsa, tiga pereka grafik, dan dua pakar dalam bidang pengiklanan dan penjenamaan. Teori *grounded* digunakan dalam proses menganalisis data dengan membahagikan data kepada beberapa kategori dan kod yang bersesuaian. Kajian ini mengenalpasti tiga kategori penting yang terdiri daripada negara asal (country of origin, COO), semiotik, dan elemen yang digabungkan (COO dan semiotik). Dapatan kajian menunjukkan penggunaan penjenamaan nasional dalam pembungkusan makanan PKS mampu mempromosikan identiti nasional dan penjenamaan negara secara berkesan. Kajian ini mencadangkan agar PKS menjadikan pembungkusan sebagai satu daripada elemen terpenting bagi pembinaan jenama dan aspek maklumat bagi produk serta negara.



TABLE CONTENT

	Page
DECLARTION OF ORIGNAL WORK	ii
DECLARATION OF THESIS	iii
ACKNOWLEDGMENT	iv
ANSTRACT	v
ABSTRACK	vi
TABLE OF CONTENT	vii
LIST OF TABLES	xv
LIST OF FIGURES	xvi
LIST OF ABBREVIATIONS	xviii

CHAPTER 1 INTRODUCTION

1.1	Background of the Study	1
1.2	Problem Statement	4
1.3	Research Objectives	7
1.4	Research Questions	7
1.5	Significant of the Study	8
1.6	Limitation of Study	8
1.7	Conceptual Framework	9
1.8	Operational Definition	11



1.9	Conclusion	13
-----	------------	----

CHPAPTER 2 LITERATURE REVIEW

2.1	Introduction	14
-----	--------------	----

2.2	Definition of Brand	15
-----	---------------------	----

2.2.1	Functions of Brand	15
-------	--------------------	----

2.2.2	Example of Type of Brand	17
-------	--------------------------	----

2.2.2.1	Brand Recognition	17
---------	-------------------	----

2.2.1.2	Brand Image	17
---------	-------------	----

2.2.1.3	Brand Equity	18
---------	--------------	----

2.2.1.4	Brand Loyalty	18
---------	---------------	----

2.2.1.5	Brand Association	19
---------	-------------------	----



2.3	Brand Personality	19
-----	-------------------	----

2.3.1	Definition of Brand Personality	20
-------	---------------------------------	----

2.3.2	Function of Brand Personality	21
-------	-------------------------------	----

2.3.2.1	Brand Personality as a Brand Communication	21
---------	--	----

2.3.2.2	Brand Personality as a Self-Concept and Symbolic	21
---------	--	----

2.3.2.3	Brand Personality as Differentiation Tool	22
---------	---	----

2.3.2.4	Brand Personality Influence on Brand Image and Brand Identity	22
---------	---	----

2.3.2.5	Brand Personality Influence of Consumer Preference on Brand Preference	23
---------	--	----

2.3.2.6	Brand Personality Influence of Consumers' Buying Decision Making	23
---------	--	----





2.3.2.7	Brand Personality Builds a Consumer-Brand Relationship	24
2.3.3	Brand Personality Perception	25
2.3.4	Brand Element Impact on Brand Personality Perception	25
2.3.4.1	Brand Name	25
2.3.4.2	Logo	26
2.3.4.3	Colour	26
2.3.4.4	People	26
2.3.4.5	Brand Communication	27
2.3.5	Factors to Shape Brand Personality Perception	27
2.3.6	Aaker's Brand Personality Trait Scale	28
2.3.7	'Big Five' Model of Personality Traits Aaker Brand Personality Scale	30
2.4	Nation as Brand	31
2.4.1	Definition of Nation Branding	32
2.4.2	Origin of Nation Branding	33
2.4.3	Functions of Nation Branding	33
2.4.4	Country of Origin (COO)	35
2.4.5	National Identity	38
2.4.6	National Image	40
2.4.7	Example Type of Nation Branding	40
2.4.7.1	Country Branding	40
2.4.7.2	Place Branding	41
2.4.7.3	Product-Country	42



Image

2.4.7.4	Brand Origin	42
2.4.7.5	Destination Branding	42
2.4.8	Case Study about Nation Branding	42
2.4.8.1	Nation Branding in Sport Mega Event	42
2.4.8.2	<i>Kawaii</i> (Japan)	43
2.4.8.3	Chocolate (Belgium)	44
2.4.8.4	<i>Kimchi</i> (Korea)	46
2.5	Definition of Packaging	46
2.5.1	Functions of Packaging	47
2.5.1.1	Packaging as a Brand Builder	48
2.5.1.2	Packaging as an Advertisement	50
2.5.1.3	Packaging as a Communication Tool	51
2.5.1.4	Packaging as a Method to Differentiate and Identify	52
2.5.1.5	Packaging as a Tool to Influence on Consumer Behaviour	53
2.5.1.6	Packaging Influences on Buying Decision for Packaged Food Products	55
2.5.2	Element of Packaging	56
2.5.3	Visual Elements	57
2.5.3.1	Colour	58
2.5.3.2	Graphic	59
2.5.3.3	Size and Shape	60

2.5.4	Informational Elements	61
2.5.4.1	Technology Image	61
2.5.4.2	Labelling	61
2.5.4.3	Nutritional Information	62
2.5.4.4	Product Information	62
2.5.4.5	Country of Origin (COO) on Packaging	63
2.5.5	The Role of Packaging on Small and Medium Enterprises (SMEs)	64
2.6	Definition of Semiotics	64
2.6.1	Visual Semiotics	66
2.6.2	Models of Semiotics	66
2.6.3	Semiotics in Packaging	68
2.6.4	Marketing Issues Approached Using Semiotics	69
2.7	Small and Medium Enterprises (SMEs)	69
2.7.1	Contribution of SMEs on Malaysian Economy	70
2.7.2	Challenges of SMEs on Branding and Packaging	71
2.8	Malaysian Food Identity	71
2.8.1	Malaysian Food Heritage	72
2.9	Airport	72
2.9.1	Functions of an Airport	72
2.9.2	Shopping Behaviour and Motivation to Shopping at Airport	73
2.10	Conclusion	74

CHAPTER 3 METHODOLOGY

3.1	Introduction	75
3.2	Research Approach	76
3.3	Research Design	76
3.4	Sampling Design	77
3.4.1	Purposeful Sampling	78
3.4.2	Sampling Selection	78
3.5	Data Collection and Method	79
3.5.1	Interview	80
3.5.2	Procedures for Preparing and Conducting Interview	80
3.6	Transcribing and Translating	82
3.7	Data Analysis Method	83
3.7.1	Proses Analysis Data	83
3.8	Conclusion	85

CHAPTER 4 RESULTS AND FINDINGS

4.1	Introduction	86
4.2	Respondents Demographic Profile	87
4.2.1	Categorization of Respondents	87
4.2.2	International Students' Profile	87
4.2.3	Designers' Profile	89
4.2.4	Experts' Profile	90
4.3	Research Question One	91

4.3.1	SMEs should make an Effort to Create Well-Known SMEs Brand Recognition Through Improving Packaging Design	91
4.3.2	SMEs should make a Greater Contribution to Well-Designed Packages and Brand	93
4.3.3	The Role of Colour on Packaging	94
4.3.4	Preference for Distinctive Packaging to Improve Brand Recognition	95
4.3.5	A Marketing Communication Tool	96
4.3.6	Malaysia's Identity is a Good Tool in Improving Brand Recognition	98
4.4	Research Question Two	99
4.4.1	The Role of Malaysia's Identity in Promoting Nation Branding	99
4.4.1.1	Building	100
4.4.1.2	Nature and States of Country	102
4.4.1.3	Other Identities	104
4.4.2	Combination of Two Elements	106
4.4.3	Country of Origin (COO)	107
4.4.4	Semiotic	108
4.5	Research Question Three	109
4.5.1	Brand Personality Impact on Malaysia SMEs Food Packaging	109
4.5.2	Demographic Characteristics of Forming Brand Personality	111
4.5.3	'Big Five' Model of Personality Traits Aaker Brand Personality	112
4.5.4	Brand Personality Influence on Consumers' Buying Decision and Behaviour	115



4.6	Conclusion	117
-----	------------	-----

CHAPTER 5 CONCLUSION AND DISCUSSION

5.1	Introduction	122
5.2	Conclusion	123
5.3	Discussion	127

REFERENCES	129
-------------------	-----

APPENDICES





LIST OF TABLES

Table Number		Page
2.1	Definition of Brand	15
2.2	Definition of Brand Personality	20
2.3	Definition of Nation Branding	32
2.4	Definition of Semiotics	65
2.5	Small and Medium Enterprises	70





LISTS OF FIGURES

Figure Number		Page
1.1	Conceptual Framework	9
2.1	'Big Five' Model of Personality Traits Aaker Brand Personality Scale	31
2.2	Nation Branding Hexagon	33
2.4	Summary of National Identity	39
2.5	Nestle Ice-Cream Hello Kitty Packaging	44
2.6	GuyLian Belgian Chocolate Packaging	45
2.7	<i>Kimchi</i> Packaging	46
2.8	Summary of Packaging	56
2.9	Elements Packaging Influence on Consumer Purchase Decision	64
2.10	Triadic Semiotics Concept of Peirce	67
3.1	Procedures for Preparing and Conducting Interviews	82
3.2	Grounded Theory Researchers Grounded a Theory in the View of Respondents	85
4.1	International Students' profile	88
4.2	Designers' Profile	89
4.3	Experts' Profile	90
4.4	Packaging Design is an Important Touch-point, Particularly Applied Malaysia Identities to Promote SMEs Brand Recognition.	91



4.5	Twelve Nation Identities	102
4.6	New Suggestion of National Identities	105
4.7	The Result Of Preference For Semiotic, COO Or Combination Two Elements	109
4.8	Preference Brand Personality of International Student	111
4.9	International Student Describes Brand Personality Based On The National Identity	114
4.10	Designer Describes Brand Personality Based on the National Identity	115
4.11	Influential Human Characteristic on Consumers' Buying Decision and Behaviour	117
4.12	Summary of Packaging	118
4.13	Summary of National Identity	119
4.14	Summary of Method to Represent Malaysia Identity in SMEs Food Packaging	120
5.1	Packaging Design Plays a Role as an Important Touch-point, Particularly Applied Malaysia Identities to Promote SMEs Brand Recognition.	123
5.2	The Result of Preference for Semiotic, COO or Combination Two Elements	124
5.3	Influential Human Characteristic on Consumers' Buying Decision and Behaviour	124



LIST OF ABBREVIATIONS

COO	Country of Origin
GDP	Gross Domestic Product
KL Tower	Kuala Lumpur Tower
KLCC	Kuala Lumpur Convention Centre
SMEs	Small and Medium Enterprises





LIST OF APPENDICES

- A Interview Questions in English and Mandarin (International Student)
- B Interview Questions (Designer and Expert)
- C NVIVO Data Visualization Chart





CHAPTER 1

INTRODUCTION



1.1 Background of the Study

In the competitive environment, Malaysia Small and Medium Enterprises (SMEs) is the principal contributor towards Malaysian economic growth through their contribution to the country gross domestic product (GDP). According to *Koleksi Arkib Ucapan Ketua Eksekutif* (2005) considered, ‘branding and packaging are fundamental aspects of a successful business, which large Malaysian companies as well as SMEs must seriously adopt and integrate into their current business practice’. Because of SMEs is the principal contributor towards the Malaysian economic growth through their contribution to the country GDP. Firstly, as Simms and Trott (2010) have proven that packaging plays an important role in product, and therefore SMEs should make an





effort to design the packaging with effectively. A number of researchers also agreed that packaging is crucially important works as a multifunctional marketing tool and as a source of sensation and experience (Ford et al., 2012; Underwood & Ozanne, 1998; Jerzyk, 2016). For instance, packaging is the main way to establish a brand memory into the consumer's consciousness. Therefore, packaging is defined as a brand builder, especially in decision making process (Moutaftsi Ms & Kyratsis Dr, 2016).

In the age, the concept of brand is increasingly important. Branding is the main notion of attention, particularly looking at the possible great future that Malaysia has towards SMEs. For example, TERAJU (the Government's Bumiputera Agenda Steering Unit) Chief Executive Officer Husni Salleh emphasized that, 'business sells products and services, but the consumer buys brands' (SME Magazine, 2017). Brand has the power to build a strong bond with their consumers (Akin, 2017).



Additionally, brand is not limited to companies and their products, but also applies to the nation. As Chen (2012) stated, there is a growing recognition that national image can be branded. Thus, 'nation branding becomes an emerging field of marketing' (Yusof & Huaibin, 2014). According to Fan (2010), the description of nation brand is a visual symbol, a slogan or strapline so that it can be easily branded and communicated. Each country has its own unique name and image in the mind of people both inside and outside the country, so a nation does have its own brands (Fan, 2010).

In addition, country of origin (COO) belongs to nation branding. COO also represents an informational element in packaging. Therefore, SMEs are suggested to use COO as one of the method in promoting nation branding on packaging. COO is not limited to cognitive component, but also as an affective component to form a symbolic and emotional product connotations (Adina et al., 2015).





Moreover, semiotic is suggested as an effective shortcut to describe national identity on packaging. Firstly, national identity belongs to nation branding (Scott et al., 2011). According to Reed II and Forehand (2016), identity is flexible and dynamic in influenced by memory, emotions or perceived threats. National identity describes the feeling of belonging (Grimson, 2010). Next, semiotic defined as signs and symbols as a shortcut to convey meanings. Semiotic states that a specific product design evokes thoughts, emotions, impressions and associations because they show sign that are consciously and unconsciously interpreted as such (Ares et al., 2011). In this model, the stimuli evoked a series of spontaneous impressions in the consumer, which is subjectively represented in his mind, given a certain context (Opperud, 2004). Besides that, brand personality is suggested to use as one of the supplement to semiotic in creating consumer-brand relationship. Brand personality reflects how consumer sees the brand and thereby indicates the relationship between the brand and the consumer (Liu et al., 2016).

In order to promote nation branding effectively, packaging is a good communication to attract consumer's attention at the point of purchase. The importance of packaging has been increasing. According to Calder and Dupuis (2010), 100% of the brand's customers defined the packaging is an important communication tool. In regard to food, packaging can influence the consumers both during the purchase in form of visual stimuli (Clement et al., 2013). The role of packaging has also been investigated for many different types of foods, from everyday commodities to premium products with own food label brand, with studies reporting that over 70 % of the consumers rely on their respective packaging to aid in the purchase decision process (Löffgen et al., 2008; Wells et al., 2007).





Hence, SMEs should take the opportunity to promote nation branding through food packaging selling at Kuala Lumpur International Airport (KLIA). For instance, KLIA has a duty free shopping mall and it is worth checking out at here. Airport provides a distinct environment which can trigger consumers' impulsive buying behaviours. Almost 60% passengers as impulsive buyers and 27% airport purchase are done on impulse (Geuens et al., 2004; Topping, 2010).

In conclusion, it is important for SME to explore the potential of national identity to promote by SMEs through its food packaging to enhance recognition of nation branding amongst foreign tourists.

1.2 Problem Statement



Today, there is a growing awareness of the importance of the nation branding, as any brand. In the new global economy, as Fan (2008) stated, that from Bhutan to Oman and from Kazakhstan to Korea are talking about their 'brand' and making an effort to wield some type of influence over them.

Nation branding is an essential component for brand or co-brand (Fan, 2010). As Chen (2012) stated, there is growing recognition that national image can be branded. Thus, 'nation branding becomes an emerging field of marketing' (Yusof & Huaibin, 2014). Each country has its own unique name and image in the mind of people both inside and outside the country, so a nation does have brands (Fan, 2010). The definition of nation branding was defined by Fan (2006; 2010) which includes on following: people, culture, cuisine, heritage, celebrities, brands, fashion, history, and place, etc, of a nation build perception in the mind of foreign people and collective sum of all





perception. Nation branding as in any branding, it has the power to build a strong bond with nation, state and self. As a number researchers stated, nation branding promotes a sense of belonging, among self, nation and state, and it also brings emotional attachment and strengthens the tourists' identity (Huang, 2011; Gonzalez & Bello, 2002; Lurham, 1998).

However, we have been witnessing a significant increase in the attention paid to nation brand research in the last few years, the whole area is still in its infancy (Fetscherin, 2010). According to Fan (2008), 'more money is being spent on various kinds of 'reputation management' – some of it wisely, but much of it not – by Asian cities, countries and regions than anywhere else in the world'.

Nation branding was promoted by Malaysian SMEs through its food packaging.

Malaysian SMEs is the principal contributor towards Malaysian economic growth through their contribution to the country GDP. However, 2014/2015 annual announced SMEs Malaysia should be enhance packaging (Diana-Rose et al., 2016). Packaging is an important element will assist in product success (Simms & Trott, 2010). A number of researchers proved that packaging is a silent salesman attracts a person to a product when it is first viewed in an aisle or point of sale (Mutsikiwa et al., 2013; Hurley, 2016). Packaging has several important functions, especially for developing and strengthening the relationship between the consumer and the brand. Because of its experiential, functional and symbolic benefits (Favier et al., 2019). Hence, SMEs are proposed to use packaging as a promotional tool in promoting nation branding in people's mind.

As Fan (2010) stated, nation does have brands, because of every country has a unique name and image in people's mind both inside and outside country. Because of, nation branding is involved with the promotion of different features of national identity,





especially in attracting foreigners. As Scott et al., (2011) stated that nation branding includes national identity. National identity described the feeling of belonging (Grimson, 2010).

In order to promote nation branding effectively, SMEs are proposed to use COO or semiotic as an element to represent the Malaysian identity in their packaging. Firstly, COO is part of nation branding and informational element of packaging. COO is not limited to cognitive component, but also as an affective component to form a symbolic and emotional product connotations (Adina et al., 2015). Besides that, semiotic states that a specific product design evokes thoughts, emotions, impressions and associations because they show sign that are consciously and unconsciously interpreted as such (Ares et al., 2011). National identity describes the feeling of belonging (Grimson, 2010).

Hence, semiotic could be as a method to describe national identity on packaging.



In recent years, consumers tend to purchase what products symbolise consumers' self-concept. Therefore, brand personality is suggested to use as one of the supplements to semiotic to create consumer-brand relationship. Because of consumers' inclination would be to apply human characteristics of brands. The relationship between the brand and human characteristics should be matched. From the viewpoint consumers, as Aaker (1999) and Sung and Kim (2010) stated that brand personality serves a symbolic or self-expressive function, and the symbolic meaning and emotional links help to build important consumer-brand relationship. Additionally, "...consumers feel a need to project their value, traits and emotion onto brands" (Patterson, 1990).

Therefore, I intend to explore the nation branding that was promoted by Malaysian SMEs through its food packaging. Meanwhile, semiotic or COO used to represent Malaysia identity to evoke consumer's emotion towards nation branding.





1.3 Research Objectives

In order to achieve the aim of this study the following objectives were identified:

- a) To explore elements (semiotic or COO) used to represent Malaysia's identity in SMEs food packaging.
- b) To identify brand personality that best represents national identity on Malaysia's SMEs food product packaging.
- c) To examine packaging design as an important touch-point to improve SMEs brand recognition.

1.4 Research Questions

The specific research questions addressed in this study included the following:



- a) What kind of elements (semiotic or COO) are used to represent Malaysia's identity in SMEs food packaging?
- b) What brand personality that best represents the national identity on Malaysia's SMEs food packaging?
- c) How does packaging design play a role as an important touch-point to improve SMEs brand recognition?





1.5 Significant of the Research

This study aims to seek the key attributes of nation branding to be promoted by SMEs through its food packaging. Firstly, this study broadened that packaging is a powerful vehicle in performing nation branding. Well performance of nation branding by SMEs food packaging will help the consumer when it comes to making a buying decision, especially foreign people.

In order to promote nation branding on packaging more successfully, COO and semiotic was used by SMEs in promoting nation branding. Therefore, this study contributed to the literature by proposing a conceptual framework for the connection among, packaging, COO, semiotic, brand personality and nation branding.

In conclusion, this study helps the SMEs to improve their packaging more effectively to promote the Malaysian identity in the global market.



1.6 Limitation of the Study

The main limitation of the study is sampling. In the interview, researcher obtained a valuable consumers' perspective and opinion from international students only. This is because of, international students composed of 10 students who is studying at UPSI. However, some of them could not provide a credible answers. Hence, the finding of this study would not any credible.

If the researcher allow conducted the interview on a larger sample, which could have included foreign tourist, the study would have been more credible.

