



**A STUDY ON THE APPLICATION OF PROMOTIONAL MIX
TOWARDS COTTAGE INDUSTRY PRODUCTS AT
RISDA NEGERI MELAKA**

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DECEMBER 2010

ACKNOWLEDGEMENT

Assalamualaikum w.b.t.

Alhamdulillah, all thanks and praises to Allah S.W.T for making things possible, for bestowing me the strength and the inspiration to complete this project paper as a requirement to obtain a Bachelor of Business Administration (Hons) Marketing.

First and foremost, my deepest appreciation goes to my case study advisor Prof. Madya. Hj. Ahmad Bin Wahid for his beneficial assistance, invaluable guidance, continuous support and encouragement throughout the completion of this project paper.

Many thanks also goes to the Admin Officer Pn. Norieza Binti Asmaddin as my supervisor at RISDA Negeri Melaka, Staff at “Pengembangan” department and also not forgetting to the all the staff of cooperative for guiding me in the practical training and also for giving me the related information in doing the case study. May Allah bless all of you.

Thank You

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ABSTRACT

Agriculture in this country is experiencing significant transformation towards a more dynamic and competitive sector. This sector is critical in the sense that it is not only contributed to economic growth but also can contribute to creating job opportunities. The development of agro-based small and medium industries (SMI) is emphasized in the nation's Agriculture Policy because it is expected to enhance the value-added of the agro-products. Even though the move by the government to make Malaysia as a global hub for food producing and chain by 2010, the achievement of SMI Bumiputera agropreneurs is still at low level. Cottage industries are one of the SMI businesses. This case study utilized quantitative and qualitative approaches. Based on the objective and literature review a set of interview protocol and site visit was developed in order to collect pertinent data for this study. A sample of eight smallholders in the sated of Melaka that registered under RISDA Negeri Melaka was selected. The study found that, smallholders acknowledged that their marketing and promotional strategy were weak. Further, the results of the site visit and document analysis shows that, in general, the smallholder's management of finance was poor and low return on investment.

Keywords: Smallholders. Promotional mix, Cottage industries, Small and Medium Industries (SMI)

CASE TYPE: CASE STUDY

CHAPTER ONE: INTRODUCTION

Introduction

The most important things for a company to create an effective promotional mix strategy in order to make their products or services success in the business market, the company must know the uses of promotional mix in order to persuasively communicate customers value and build customer relationship and at the same time it will create awareness of the company products or services in the business market. In marketing, awareness can be measure of how well known a brand, firm, or product is in the mind of the customers. A company usually set a target for the degree of awareness they intend to achieve, and then plan of a promotional campaign to reach that target (Business Dictionary). While, brand awareness is the extent to which the brand is recognized by the potential customers, and is correctly associated with a particular product. Expressed usually as a percentage of target market, brand awareness is the primary goal of advertising in the early months or years of a product's introduction (Business Dictionary).

Promotion is one out of four elements in the marketing mix. Promotional mix also known as marketing communication. Promotion includes any activities that a firm used to communicate with customers and it's useful to further define a "Promotional Mix" (Armstrong & Kotler, 2004, p. 399) of five elements: mass media advertising, direct promotion, personal selling, sales promotion and public relations. Promotional mix provides information and consultation that are important components to add value to a product or service. Customers need information about the features of the product or service, its price and how they can access it together to make informed purchase decision. Thus, if customers are able to get the necessary information about the product