

LETTER OF TRANSMITTAL

Najibah Binti Mohd Saufi
Bachelor of Business Administration (Hons) Business Economic
Faculty of business management
University Teknologi MARA, Kampus Kota Bharu
15050 Kota Bharu
Kelantan

26/06/2013

Head of Program
Bachelor of Business Administration (Hons) Business Economic
Faculty of Business Management
University Teknologi MARA, Kampus Kota Bharu
15050 Kota Bharu
Kelantan

Dear Sir,

SUBMISSION OF ECONOMIC PROJECT PAPER (ECO 663)

Attached is the copy of Economic Project Paper (Eco 663) entitled "Factors Influencing The Demand Of Herb Products In Kota Bharu, Kelantan" to fulfill the requirements as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you.

Yours faithfully,

NAJIBAH BINTI MOHD SAUFI

2011899282

Bachelor of Business Administration (Hons) Business Economic

ACKNOWLEDGEMENT

“In the name of Allah , The most Gracinal and Selawat and Salam to His Messenger our Prophet Muhammad SAW.”

First and foremost, Alhamdulillah, at last I'm able to finish this report on given time. It has been the most valuable experience in order to do this research. I have completed this research with support and encouragement from many individuals and organizations which I express my gratitude.

I would like to express my sincere gratitude to Associate Professor Mohamad Safri Ya, who has been my advisor and guiding me in completing this research. His efforts and constructive feedback did help me, so that I have some idea to complete my research. I greatly indebted to him for helping me to overcome difficulties in the process of conducting this research. I also would like to thanks to Madam Fadhilah Binti Mohd Ishak @ Zainudin as a second examiner.

Finally, I cannot emphasize enough how important my family's role who had been helped me cross the obstacles which, at times, seemed to be challenging. Last but not the least, I wish to express my sincere gratitude to my parents and all friends that provided support when I needed those the most.

Thank you.

| | |
|--------------------------|-----|
| Declaration Of Authority | i |
| Letter Of Transmittal | ii |
| Acknowledgement | iii |
| Abstract | iv |
| Table of Contents | v |

Chapter 1: INTRODUCTION Error! Bookmark not defined.

| | |
|----------------------------|-------------------------------------|
| 1.0 Background of study | Error! Bookmark not defined. |
| 1.1 Problem Statement | Error! Bookmark not defined. |
| 1.2 Reserch Objectives | Error! Bookmark not defined. |
| 1.3 Theoretical Framework | Error! Bookmark not defined. |
| 1.4 Hypotheses | Error! Bookmark not defined. |
| 1.5 Significance Of Study | Error! Bookmark not defined. |
| 1.5.1 To Researcher | Error! Bookmark not defined. |
| 1.5.2 To Future Researcher | Error! Bookmark not defined. |
| 1.5.3 To Industry | Error! Bookmark not defined. |
| 1.6 Definition Of Terms | Error! Bookmark not defined. |
| 1.7 Limitations | Error! Bookmark not defined. |
| 1.8 Scope Of Study | Error! Bookmark not defined. |

CHAPTER 2: LITERATURE REVIEW Error! Bookmark not defined.

| | |
|---|-------------------------------------|
| 2.0 Introduction | Error! Bookmark not defined. |
| 2.1 Consumer Spending and Herb Products | Error! Bookmark not defined. |
| 2.2 Health Concerns and Herb Products | Error! Bookmark not defined. |
| 2.3 Chronic Illnesses and Herb Products | Error! Bookmark not defined. |
| 2.4 Substitutions and Herb Products | Error! Bookmark not defined. |

CHAPTER 3: RESEARCH DESIGN Error! Bookmark not defined.

| | |
|-------------------------------|-------------------------------------|
| 3.0 Research Design | Error! Bookmark not defined. |
| 3.1 Types Of Data | Error! Bookmark not defined. |
| 3.2 Data Collection Methods | Error! Bookmark not defined. |
| 3.3 Measurement | Error! Bookmark not defined. |
| 3.3.1 Section A | Error! Bookmark not defined. |
| 3.3.2 Section B, C, D, E | Error! Bookmark not defined. |
| 3.4 Questionnaire Development | Error! Bookmark not defined. |

| | |
|---|-------------------------------------|
| 3.4.1 Nominal Scale (Section A) | Error! Bookmark not defined. |
| 3.4.2 Likert Scale Questions (Section B, C, D, E)..... | Error! Bookmark not defined. |
| 3.5 Sampling | Error! Bookmark not defined. |
| 3.6 Data Analysis | Error! Bookmark not defined. |
| 3.6.1 Frequency Distribution Analysis and Descriptive Analysis..... | Error! Bookmark not defined. |
| 3.6.2 Normality and Skewedness..... | Error! Bookmark not defined. |
| 3.6.3 Reliability Analysis | Error! Bookmark not defined. |
| 3.6.4 Multiple Linear Regression Analysis..... | Error! Bookmark not defined. |
| 3.7 Testing Regression Estimation | Error! Bookmark not defined. |
| 3.7.1 Coefficient of Determination (R^2)..... | Error! Bookmark not defined. |
| 3.7.2 F- Statistics..... | Error! Bookmark not defined. |
| 3.8 Hypothesis Testing (T-Statistics) | Error! Bookmark not defined. |
| CHAPTER 4: FINDING AND ANALYSIS | Error! Bookmark not defined. |
| 4.0 Introduction..... | Error! Bookmark not defined. |
| 4.1 Descriptive analysis..... | Error! Bookmark not defined. |
| 4.1.1 Frequency Distribution Analysis | Error! Bookmark not defined. |
| 4.1.2 Normality And Skewedness | Error! Bookmark not defined. |
| 4.1.3 Mean and standard deviation | Error! Bookmark not defined. |
| 4.1.4 Reliabilty Analysis | Error! Bookmark not defined. |
| 4.2 Multiple Regression Analysis | Error! Bookmark not defined. |
| 4.2.1 Coefficients | Error! Bookmark not defined. |
| 4.2.2 Coefficient Of Determination (R^2) | Error! Bookmark not defined. |
| 4.2.3 F-Test | Error! Bookmark not defined. |
| 4.2.3 Hypothesis Testing (T-Test)..... | Error! Bookmark not defined. |
| CHAPTER 5: CONCLUSION AND RECOMMENDATION..... | Error! Bookmark not defined. |
| 5.1 Conclusions..... | Error! Bookmark not defined. |
| 5.2 Recommendations..... | Error! Bookmark not defined. |
| List Of Table | vi |
| List Of Figure | vii |
| Bibliography | |
| Appendix | |

ABSTRACT

This research was conducted to fulfill the requirement needed by the Faculty of Business Management, MARA Technology of University. The researcher has selected the topic “Factors Influencing The Demand Of Herb Products In Kota Bharu, Kelantan”. This study will focus on the consumer spending on herb products and what influence them to consume the herb product based. Data has collected by distributed the questionnaire to the consumer who consume herb products in Kota Bharu as the respondents. The Multiple Linear Regression Analysis is used to estimate the influence related between dependent variable (consumer spending) with independent variables (health concerns, chronic illnesses, substitutions). This study also has achieved researcher first objective which is to examine how much do the respondents spend a month on herb product in Kota Bharu, Kelantan. Whereas, the other objective of the study is to determine the main factors that influence the demand of herb products in Kota Bharu, Kelantan. Based on the finding and results analysis, the researcher can conclude that chronic illnesses and substitutions have significant relationship while a health concern has no significant relationship.