



**CUSTOMER'S PERCEPTION TOWARDS
PETRONAS LUBRICANT PRODUCTS
IN BINTULU DISTRICT**

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ABSTRACT

Motor vehicle lubricant business is a very competitive in Malaysia. There are a lot of players in the marketplace. The major players are Shell, Exxon Mobil, PETRONAS and Castrol. In 2005, PETRONAS lubricant products market share stood at 14%.

This paper will study customer's perception towards PETRONAS lubricant products in Bintulu district. The variables that will be studied are price, advertisement and sales promotion of the products.

From the study, it is concluded that the price of the products as compared against quality and competitors price are well perceived by the customers. However, PETRONAS advertisement and sales promotion are not well perceived by the customers.

It is recommended that PETRONAS should maintain its product quality and maintain the competitiveness of its product price. In terms of advertisement, PETRONAS should emphasize more on product advertisement instead of corporate advertisement. PETRONAS sales promotion should not only be concentrated at PETRONAS service station but more promotional activities should be held at other places such as selected motor workshop and trade fairs.

CHAPTER ONE

INTRODUCTION

1.1 CUSTOMERS PERCEPTION

According to The Concise Oxford Dictionary, perception is defined as “an interpretation or impression based on one’s understanding of something”.

Customers select varying ways to meet their needs sometimes because of differences in perception – how we gather and interpret information from the world around us.

We are constantly bombarded by stimuli – ads, products, stores – yet we may not hear or see anything. This is because we apply the following selective processes:

- Selective exposure – our eyes and minds seek out and notice only information that interest us.
- Selective perception – we screen out or modify ideas, messages, and information that conflict with previously learned attitudes and beliefs.
- Selective retention – we remember only what we want to remember.

These selective processes help explain why some people are not affected by some advertising – even offensive advertising. They just don’t see or remember it! Even if they do, they may dismiss it immediately.

CHAPTER TWO

LITERATURE REVIEW

2.1 LITERATURE FRAMEWORK

In this chapter, the literature has been reviewed with especially a view to the value concept and how to keep business with customers, but with relationship marketing as an overall topic. The value concept will be looked upon from customer perceived value.

2.1.1 Customer Perceived Value

Many organizations and some of the competitors to PETRONAS add more value to the core product to improve customer satisfaction so that the bonds are strengthening and customer loyalty thereby achieved (Gronroos and Ravald 1996, Peppers and Rogers 1997). It is very important for PETRONAS to follow this trend or else they may be left behind and start losing market share. The customer satisfaction is supposed to be one of the most important criteria for customer loyalty (Heskett et al. 1994). A satisfied customer is supposed not to defect but to stay loyal to the company for a long period of time and to buy more and more often than others, not so loyal customers do. But repeat business alone doesn't constitute brand loyalty because there may be many reasons why a customer buys the same products over and over again.

The fact is that the effect of the customer's perceived value is not explicitly included in the customer's judgment of the overall product