



**A STUDY ON CUSTOMER PERCEPTION TOWARDS  
PERODUA AXIA**

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## **ABSTRACT**

A car is considered an essential nowadays towards customers. Buying a new car is regarded a decision making and as a reflection of customers perception. The main focus of this research is to study the customer perception towards Perodua Axia. 150 questionnaire were distributed to respondents of potential customers that may display interest in purchasing Perodua Axia in the future.

Based on the analysis and findings, majority of the respondents agree that they choose Perodua Axia because of its DVVT engine and economical fuel consumption. The findings also indicate that the most unfavourable factors for the potential customer is because of Perodua after sales services. By the recommendations provided, Perodua can improve the quality of their after sales service in order to attract and enhance customer satisfaction.

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## **CHAPTER 1: INTRODUCTION**

### **1.2 Background of the study**

Customer perception is very crucial in winning customer hearts that will make them end up buying the products. Understanding customer perception is important towards building marketing strategy in which customer believes that the respective producer will deliver the best in convincing them to get the product. Hence, this research aims to gain an insight on who are the potential customers that will purchase Perodua Axia and how they make their decisions upon making a brand of choice in terms of features and services that Perodua Axia deliver. Before that, below are the brief history on Malaysian automobile Industry and Perodua.

The Perusahaan Otomobil Nasional Bhd (PROTON) is closely linked to the history of the automobile industry in Malaysia according to Dilip Singh Mutum in his article on Overview of the Malaysian Auto Industry. Incorporated on May 7, 1983 to manufacture, assemble and sell motor vehicles and related products such as accessories, spare parts and other components. He also stated that obstacles to production efficiency in local motor vehicle assembly operations and also in the marketing of automobiles in Malaysia where diseconomy of scale associated with production oriented to a domestic limited size and lack of customer focus. Proton has come a long way from a mere car assembler to an integrated car company. At present, the model line up like Saga, Waja, Exora and Iriz. Since the first national car, the Proton Saga, rolled out of its plant in 1985, Malaysia has obtained much recognition regionally and internationally for its outstanding achievements in the automobile industry

Perusahaan Otomobil Kedua Sdn. Bhd (PERODUA) was established in 1993. Perusahaan Otomobil Kedua Sendirian Berhad (*Second Automobile Manufacturer Private Limited*), usually abbreviated to Perodua is Malaysia's second largest automobile manufacturer after Proton. The company's operations commenced early 1994 and the popular Perodua Kancil was introduced in the Malaysian market in August 1994. Perodua's mission is to be a world's class automobile company renowned for excellent quality and reliability through professionalism in all operations, efficiency in utilizing technologies and available resources, resilience in meeting challenges and optimizing benefits to consumers.

## **2.0 LITERATURE REVIEW**

### **2.1 The Importance of Automobile Industry**

As a major contributor to environmental degradation worldwide, automobile industry has attracted great attention from the community. Due to its prominence, the automobile industry is often viewed as the representative of modern industry (Law, 1991). The automobile industry is considered as the single largest manufacturing sector in the world (Turnball et al., 1992). The automobile industry requires a set of production systems linking a wide range of industrial organisations and technologies with great variations in size and sophistication (Mohd Rosli, 2004). In fact, Malaysia has been involved in the development and promotion of the automobile industry with a different emphasis over time.

### **2.2 PROTON AND PERODUA**

The largest producers of automobiles in Malaysia are the two national companies' brand, PROTON and PERODUA. Brand is the most valuable asset where it represents a product or service to consumers. Brands are more than just names and symbols but also the element of relationship between company and customers (Kotler and Armstrong, 2010). The brand name has directly influenced customer's perception toward the quality of the offering. When customers are satisfied, they generate word of mouth and it will lead to others to be interested and choose the brand. A study on the effect of brand name toward cars shows that people trust the well known brand for its quality, performance and believe that brand shows a person lifestyle and status. Brand is a name, term, design symbol or any feature that identifies one seller's goods or services as distinct from others. In excess of the years the Malaysian automotive production has progressed from an association business in the direction of an industrial production concentrating on commuter car industrial although producing floating occupation and regular earning amongst its workers. The performance of brand depends on the competitive environment in which the brand operates and how long the brand has been in the markets. All brands define by a set of visual and non visual attributes which effectively describe the identity of the brand and where consumers relate to it.

Meanwhile, PROTON has always been committed to manufacturing cars locally that are recognized internationally. The use of automation and robotics in the manufacturing process has contributed to increased cost-efficiency, reliability, and quality. Research and Development is