



**A STUDY ON THE EFFECTIVENESS OF FAMA
DISTRIBUTION AGENTS IN BINTULU**

**GEORGE KANA AK NGUMBANG
2001611711**

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
MARA UNIVERSITY OF TECHNOLOGY
SAMARAHAN CAMPUS**

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CHAPTER 1

INTRODUCTION

1.1 Background of study

The year 2006, marked the new era of development in Sarawak with the introduction of 9th Malaysian Plan to replace the existing plan. Under the new plan Agriculture sector is placed as the 3rd engine growth in the country that has attracted the government attention.

The emphasis of agriculture under the 9th Malaysian Plan not only depends on industrial crops but continuous food expansion for local and foreign market. In line with the government policy to increase food security and to overcome inflation, the government focuses on food production to compensate the import bill with increase trend each year.

Under the food crop expansion program, the government focuses on down stream processing with more emphasis on agro-based products. Under the previous Malaysia Plan, down stream activity with agro-based products only involved few producers and entrepreneurs in small scale.

Today, Small and Medium Enterprise's or Small Scale Food Processing becomes very much alive with the government support and incentives. The government encourages the development of Small and Medium Industry with more participation from young and innovative University graduates. Beside, the government also entrust few local Bank such as Bank Pertanian and SME Bank to provide financial assistance to Small and Medium entrepreneurs who plan to do some down stream processing activity particularly agro-based products. The government has taken steps to ensure that SME enterprises products are marketed internationally, Prime Minister Datuk Seri Abdullah Ahmad Badawi (The

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Strategy defined as firm's primary performance objectives, product market scope, and major operating policies Malhotra, Singh & Sharma, (1998). Primary performance objectives state the criteria by which management judges the success of the firm and experts others to judge it. Product market scope limits the firm's range of activities and therefore sets some of its environments. Business policy indicates how managers should define, formulate, implement and manage firm strategy.

Primary performance objectives describe what the firm wants to accomplish. As economic entities, firms often focus on financial performance objectives. However, as societal entities, firms increasingly spouse objective for their impact on the broader environment. These objectives can include many dimensions from employee welfare or community improvement to political impact or philanthropic contribution. All objectives constrain the selection of other strategies choices and thereby guide the search for strategic alternatives as well as provide criteria for evaluating a strategy retrospectively.

2.2 Marketing strategy

A marketing strategy serves as the foundation of a marketing plan (Wikipedia Dictionary, 2005). A marketing plan contains a list of specific actions required to successfully implement a specific marketing strategy. It serves as the fundamental underpinning of marketing plants designed to reach marketing objectives. It is important that these objectives have measurable results. A good marketing strategy should integrate an organization marketing goals, policies and

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The researcher will indicate the methods used in the research that include data collection, study population, sample size, sample unit, sample selection and techniques.

3.2 Data collection method.

3.2.1 *Primary Data.*

Primary research is firsthand information and it reveals information that no one else has investigated. The primary data are highly involvement in collecting process at high cost and along time. Data collected or produced by the researcher specifically to addressed the research problem. Here our primary data is based on interviews with the staff (selective from FAMA). The data also obtained from individuals, families and representative or from the organization. For the collection of primary data, questionnaires will be distributed and personal interview will be conducted on selected person.

i) *Interviews.*

An interview will be conducted by the researcher with FAMA selected distribution agents around Bintulu to get a general view of their distributing activities. On the other hand a researcher also interviews some FAMA staffs of different rank in order to obtain the marketing scenario of Olemas products in Bintulu.