"A STUDY ON THE ACCEPTANCE OF LOCAL RETAILERS TOWARDS TRADE ONLY CONCEPT AT BOOKER CASH AND CARRY, JOHOR BAHRU "

IN PARTIAL FULFILLMENT OF REQUIREMENT FOR BACHELOR OF BUSINESS ADIMINISTRATION (HONS) RETAIL MANAGEMENT

PREPARED FOR: ENCIK IBRAHIM BIN ABDUL RAHMAN ADVISOR FOR PRACTICUM TRAINEE

PREPARED BY: ZOOL FADZLI BIN MOHAMED 97283120

BACHELOR OF BUSINESS ADMINISTRATION (HONS) RETAIL MANAGEMENT FACULTY OF BUSINESS AND MANAGEMENT MARA UNIVERSITY OF TECHNOLOGY SHAH ALAM

OCTOBER 1999

IN THE NAME OF ALLAH

THE BENEFICIENT THE MOST MERCIFUL

First and foremost, I wish to thank Allah swt for giving me the courage, time and knowledge in completing my practicum and study at Booker Cash and Carry, Johor Bahru.

Special note of appreciation to my advisor, Encik Ibrahim Abdul Rahman. I would like to thank for all his assistance, guidance and advice along the preparation of these project paper.

My special thanks to my supervisor, Encik Abdul Aziz bin Abdul Rahman for his kind cooperation in giving his opinion and advice. I also would like to thank all the staff especially Encik Irwan Trisna bin Esa, the Business Development Officer who had contributed valuable ideas and information about Booker Cash and Carry, Johor Bahru. Special thanks are also owed to all people that have given me their cooperation and willingness to provide me with valuable information. Without their cooperation this project paper would not been able to complete as it is

EXECUTIVE SUMMARY

Booker Cash and Carry, Malaysia opened its first trade-only grocery warehouse in the country for business in Johor, in August 2 1996 and is using the state as its launch pad into the Asian market. Malaysia was chosen because of a number of factors, including it stable government, adequate finance infrastructure, sound legal system and low market entry volumes. Booker, who has done away with overheads such as costs of delivery credit and sales representatives, offers a far cheaper wholesale price on a cash and carry basis for small businesses. Small retailers, caterers and hawkers will therefore be able to buy their goods at more competitive prices.

The study of customer's acceptance is necessary to determine the actual performance of the company whether the current performance meets the needs and satisfy of the local consumers. This is because Booker Cash and Carry is a foreign company who adapts their business concept, which is trade only concept to this country. Booker has been trading in Europe for over 160 years. Booker's grocery wholesale warehouses serve the needs of traders and do not welcome end-consumers into their trading premises. Small traders need to be Booker members to avail of the firm's facilities.

The objective of this study is to identify what types of retailers who interested and buy at Booker Cash and Carry. This is due to the problem that

TABLE OF CONTENTS

LETTER OF TRANSMITTAL

| ACKNOWLEDGEMENT. | I |
|-------------------|------|
| EXECUTIVE SUMMARY | |
| TABLE OF CONTENTS | IV |
| LIST OF TABLE | VIII |
| LIST OF DIAGRAM | X |

1.0 INTRODUCTION

| 1.1 | Background of the study1 | |
|-----|---|--|
| 1.2 | Background of the company2 | |
| | 1.2.1 The Booker concept | |
| | 1.2.2 Trade Only Wholesaler | |
| | 1.2.3 So who is Trader?9 | |
| | 1.2.4 The Benefits offered by Booker to its customers10 | |
| | 1.2.5 Why is Booker "Trade Only"?11 | |
| | 1.2.6 The Booker Advantages12 | |
| 1.3 | Problem statement | |
| 1.4 | Objectives of the study15 | |
| 1.5 | Limitations of Study16 | |
| 1,6 | Hypothesis17 | |

1.0 INTRODUCTION

1.1 Background of The Study

Intense competition in food / grocery distribution, making survival of the small traders even more doubtful. Also with the mushrooming of hypermarkets and supermarkets make the small traders even more difficult as many customers are now shifted to go to these hypermarkets and supermarkets which offer them wide selection of merchandise with relatively cheaper price plus the convenience during shopping with attractive atmosphere.

Booker is Europe's largest grocery wholesaler and has been trading for over 160 years. Booker success is built on a dedication to meeting the needs of small, independent retailers and caterers. Booker's worldwide sales last year as over RM18, 000 million.

Booker is the modern wholesaler who works in partnership with small traders. The existence of Booker is to serve and help these small traders to compete in the market.

1