



EXECUTIVE MASTER IN BUSINESS ADMINISTRATION
UNIVERSITY TECHNOLOGY MARA
DUNGUN TERENGGANU DARUL IMAN

APPLIED BUSINESS PROJECT (MBA 795)

ESTABLISHMENT OF PROTON EDAR
DEALERSHIP IN DUNGUN

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EXECUTIVE SUMMARY

This Applied Business Project Paper is prepared to assist M/S Eden Luxury Sdn Bhd (ELSB) in applying for a dealership to distribute new Proton vehicles from M/S Proton Edar Sdn Bhd (PE). The outlet would be in Dungun, for a simple reason of the non-existence of Proton outlet in Dungun, not to mention the potentials of the area. There are existing Proton outlets in Kuala Terengganu, Kemaman and Jerteh for the whole state of Terengganu. With the establishment of the outlet, besides being able to further generate new businesses for Eden, it is hoped that Proton vehicles are easily accessible to the general public of Dungun and thus increase the sales volume for PE as a whole. Presently, people of Dungun have to go either to Kemaman or Kuala Terengganu to be able to have a look at the national car of their dreams. Sometimes the dealers from Kuala Terengganu and Kemaman held their promotions in Dungun on irregular basis, bringing along one or two different car models at one time. This arrangement has its drawback, as the whole range of Proton models could not be displayed for reasons such as cost, security, limited display space and the economics of it.

Further, there is a need to bring the cars closer to the Dungun public to create further awareness thus generating interest which could be turn into closed sales with the right marketing strategies. The potentials are especially big for “fence sitters” market segment, i.e. people who have the capacity but are undecided whether to make a purchase or not. These people possibly either do not make an appointment to have a look at the cars because of the distance they have to travel for Proton outlets or the eagerness is not strong enough for them to travel to the outlets. Another possible reason at present, is the AFTA factor whereby they have a general understanding that cars would be cheaper after AFTA. This AFTA factor is not just affecting the public to make informed decisions, but is also affecting the sales of Proton cars and other marques in the vehicle industry. Already for the first four months of 2003, the vehicles sales volume has dropped to 119,521 units as compared to 130,984 units for the same period of 2002. Other reason could be due to the “Severe Acute Respiratory Syndrome” (SARS) disease now that is affecting travels.

With the establishment of the outlet, it is hoped that the general public would have easy access to Proton cars and guided by a team of knowledgeable Sales Advisers for them to make informed decisions. The outlet would serve as a reference centre to help out potential Proton owners as well as existing owners in making purchase decisions.