



“A STUDY ON CONSUMER
PERCEPTION TOWARDS HYPERMARKETS
IN KOTA KINABALU”

SITI ROSZARIAH AWANG
2004278609

BACHELOR OF BUSINESS ADMINISTRATION
(HONS) MARKETING
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU CAMPUS, SABAH

APRIL 2008

ACKNOWLEDGEMENT

Bismillahirrahmanirrahim.....

Alhamdulillah, praise to **ALLAH S.W.T.** for the strength and patience showered to me in completing my study and this project paper within the given period. However, this project paper will not be successful without the help from my family, relatives and friends.

I would like to take this opportunity to thank my advisor, Encik Kamarulzaman Ishak, my beloved husband, Abang Faisal Bin Yaman, my relatives, my classmates and my colleagues who have contributed one way or the other such as giving brilliant ideas, helping me in distribution of questionnaires to the respondents in the data collection for the purpose of to complete this project paper.

I would also like to express my heartfelt gratitude to my advisor, Encik Kamarulzaman Ishak for his guidance, constructive criticism, advice and valuable comments. Special thanks are also due to my husband, my relatives, my classmates and not forget my colleagues for their support, consultation and also provided me with some valuable information. Not forgetting my supervisor, Encik Mohd Amir Karim, for guidance and also encouragement. To all my relatives, classmates and colleagues, thank you for your supports and assistance.

Finally, I owe this very special thanks to my beloved family, my mother, my husband, and my children for their understanding, supports throughout the years of my study.

Wasalam.

TABLE OF CONTENTS

PAGE

SALINAN FOTO TIDAK DIBENARKAN

Acknowledgement	i
Liability Disclaimer	ii
Table of Contents	iii
Executive Summary	iv

CHAPTER 1 : INTRODUCTION

1.1	Background of Study	1 - 4
1.2	Scope of Study	5
1.3	Problem Statement	6
1.4	Objective of Study	7
1.5	Significance of Study	8
	1.5.1 <i>To customer / Public</i>	8
	1.5.2 <i>To UiTM</i>	8
	1.5.3 <i>To Potential Investors</i>	8
	1.5.4 <i>To Existing Hypermarket Operators</i>	9
	1.5.5 <i>To Researcher</i>	9
1.6	Research Questions	10
1.7	Limitations of Study	11
	1.7.1 <i>Time Constraint</i>	11
	1.7.2 <i>Lack of Information</i>	11
	1.7.3 <i>Cooperation From The Public</i>	11
1.8	Area of Study	12
1.9	Area of Coverage	12
1.10	Researcher's Interest in the Study	13
1.11	Definition of Terms	14
	1.11.1 <i>Hypermarket</i>	14
	1.11.2 <i>Supermarket</i>	14
	1.11.3 <i>Convenience Store</i>	14
	1.11.4 <i>Stationery Product</i>	14
	1.11.5 <i>Product Line</i>	15
	1.11.6 <i>Soft-line Product</i>	15

HAKMILIK
Perpustakaan
Universiti Teknologi MARA
Sabah

1.11.7	<i>Product Mix or Product Assortment</i>	15
1.11.8	<i>Household Product</i>	15
1.11.9	<i>Frozen Product</i>	16
1.11.10	<i>Fresh Product</i>	16
1.11.11	<i>Sundry Product</i>	16
1.12	4P Components of Marketing Mix	16

CHAPTER 2 : LITERATURE REVIEW

2.1	Background of Retailing in Malaysia	17 - 20
2.2	Hypermarkets See Strong Growth	21 - 22
2.3	Demographics and Consumer Behavior in Malaysia	23
2.3.1	<i>Population Evolution</i>	23
2.3.2	<i>Income / Buying Power</i>	24
2.3.3	<i>Consumer Behavior</i>	25
2.3.3.1	<i>Average Household Spending Patterns</i>	25
2.3.3.2	<i>Lifestyles / Shopping Habits</i>	25 - 26
2.4	Major Retail Players in Malaysia	27
2.4.1	<i>Retail Sales</i>	27
2.4.2	<i>Types of Stores in Malaysia (2002 Census)</i>	28
2.4.2.1	<i>Hypermarkets, Supermarkets and Department</i>	28
2.4.2.2	<i>Convenience Stores and Petrol Station Store</i>	29
2.4.2.3	<i>Traditional Store / Shop</i>	30
2.4.3	<i>Differences Between Hypermarket, Supermarket and Departmental Store</i>	31 - 32
2.5	Concepts of Hypermarket	33
2.6	Overview of Retailing in Sabah and its Future	34 - 37
2.7	Challenges, Opportunities and Emerging Trends in Retailing	38
2.7.1	<i>Challenges-Intense Competition</i>	38
2.7.2	<i>Opportunities – Development of Mega Mall</i>	38 - 39
2.8	Emerging Trends	40
2.8.1	<i>Privileged Facing of Local Products</i>	40
2.8.2	<i>Continues Dominance of Multinational Operators</i>	40
2.9	Future Scenario	41

EXECUTIVE SUMMARY

This Project Paper is submitted to the School of Business and Management, MARA University of Technology, as partial requirement for fulfillment of BBA (Hons) Marketing. The objective of the study is mainly to evaluate the perception of the consumers towards hypermarkets in Likas and Inanam. In addition, this study also attempts to evaluate the consumers' demographic characteristics with respect to their level of income, their purchasing power, and their buying behaviors.

Hypermarket and supermarket chains are rapidly growing to meet the needs of more affluent consumers/customers. With rising affluence and education levels, consumers' lifestyles have changed drastically over the years. People, especially in urban areas, prefer to shop in modern retail outlets, which offer them one-stop shopping options.

Kota Kinabalu's consumer lifestyle has been evolving and changing due to in part of rising income and education level. High profile international retailer has also played a hand in shaping consumer behaviour. Hypermarkets are fast gaining popularity in Kota Kinabalu, attracting customers with their "**one-stop**" and "**all under one roof**" concept.

Competitions among the retailers, especially hypermarkets, is intense with large international like Giant and Servay frequently engaging in price wars to establish their presence as major players in the market. The pressure is mounting for local retailers to maintain competitive prices and carry a good variety of products in order to keep up with the big retailers.