

**ANALYSIS ON THE EFFECT OF PHYSICAL
CHARACTERISTIC AND PRICE TOWARD QUALITY
PERCEPTION: IMPLICATION FOR JUSCO'S RETAIL STORE**

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APRIL 2001

ACKNOWLEDGEMENT

First of all, I would like to praise appreciation to the Mighty God in providing an opportunity and strength upon my mind, spiritual and physical to accomplish my final project paper.

Secondly, I would like to express our gratitude to thank to Dr Abdul Halim, the lecturer of University Technology Mara (UiTM) Malacca, who has guided me all the way in realizing this project. Without him, the project would not have taken of the ground and also to Encik Ismadi Ismail, the course tutor of BBA (Hons) Marketing of University Technology Mara (UiTM) Melaka.

I would like to express my appreciation to Encik Kamaruddin the Administration Manager of Jaya Jusco Malacca, to let me conduct the study and appoint him to be my supervisor in conducting this final research. I would not forget to express my appreciation to Cik Parameswari (J-card's supervisor) in giving the assistance and the required information to the study.

Next, I would like to express my thank to everybody who have been involved in this research especially to the Jusco's staff who has either directly or indirectly support and provide valuable information in conducting this study. Not forgotten the Jusco's customer itself, who has

spend their time and given a full cooperation in providing all the information needed.

To each everybody of my friends and colleagues whom with me endured directly the pressure and strain of completing this research. I bid my utmost appreciation especially to Jalilah Jani, Anna Syazrinni, Laila Turisyima, Rizal, Rohayu Aziz, Mastura Mahbub, Hasliza Jumaat, Mahani zainal and Pee Wee.

Lastly, special thank to my beloved family especially my parents who has given me the encouragement and support throughout my study in UiTM.

ABSTRACT

This research attempt to analyze the role of cues in forming quality impression. Both price and the physical cues can have an effect on quality perception. Perception is one of the essential determination of customer behavior and it influence the opportunities open to retailers.

The issues that researcher would like to highlight in this study is regard whether physical characteristic (intrinsic element) have a stronger effects than prices (extrinsic element) on consumer perceive quality. Researcher also would like to analyze the extend to which customer are able to discriminate among different level of quality for particular product line. Beside that, researcher would like to determine the effect of perceived quality toward the performance of Jusco's retail store.

The data of this research are gathered from both primary and secondary data. Hundred respondents has been selected at random in order to get data from different group of people. Questionnaire are largely use in gathering data. Using questionnaire data are collected by doing face to face interview and also ask customer to fill up the questionnaire themselves. While the secondary data was simply collected from books, journals, Jusco's Annual report, Company's Prospectus and articles.

The research finding described that the respondents responses toward the question directed to them showed that most of the consumer does not equate price with quality.

It has been identified from the previous research that price have a stronger effect toward consumer perceived quality when physical characteristic are not available that is when the evaluation of intrinsic cues requires more effort and time also when consumer has no experience in using the product. However, a further research need to be carry on because consumer behavior keep changing over time.

Base on the result of this study some recommendation has been proposed to retailer which hopefully can help them to improve their business performance in the future.