

UNIVERSITI TEKNOLOGI MARA

**DEMAND OF GOODYEAR TYRES IN
KUCHING FROM THE 4P'S
PERSPECTIVE**

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AUTHORS' DECLARATION

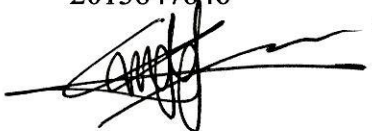
I, declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of our own work, unless otherwise indicated or acknowledged as referenced work. This dissertation has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

The purpose of this study is to analyse the demand, competition and consumer buying behaviour of tyres in Kuching for Goodyear Malaysia Berhad. Ultimately, this study also aims to recommend the suitable marketing strategies based on the analysis done. Utilizing the survey approach, this study consisted of 400 respondents and by using regression analysis, demand function is then formed. The results indicate that tyre consumer in Kuching purchases new tyre mainly due to routine maintenance and family, friends and neighbour are the most popular reference for tyres and retailer's information. Consumer mainly chooses tyres based on the prices when selecting tyres although they prefer durability and warranty. The results also indicate that retailers are mostly chosen based on their prices and most consumers would consider 2 or more brands before deciding their final purchase. The results of regression analysis indicates that consumers in Kuching are very sensitive to price changes in Goodyear tyres and the China brand tyres are a strong substitutes product to Goodyear tyres. Lastly, it was also found that promotional campaign run by Goodyear in Kuching is less effective. Therefore, recommended marketing strategies based on existing Goodyear tyres and new Goodyear tyres are recommended based on 4P's strategy. As to stay competitive in East Malaysia market, it is vital that Goodyear Malaysia Berhad understand the demand, competition and the consumer buying behaviour of East Malaysia people in order to capture East Malaysia market share and long-term business sustainability.

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CHAPTER ONE

INTRODUCTION

1.0 CHAPTER OVERVIEW

This chapter discussed the background of the study which includes the importance of demand and competition analysis to an organization. Apart from that, this chapter also includes the present scenario of tyre industry in Sarawak from the perspective of Goodyear Malaysia Berhad, Kuching Branch which leads up to problem statement. Besides that, this chapter contains the research objectives, the research questions that guided this study, the scope, the significance, limitation of the study and the operational definitions of terms used.

1.1 BACKGROUND OF THE STUDY

Since the early days of motoring, tyre industry has been one of the most important markets for automobile industry and the industry itself is highly competitive with about seventy five top tyre manufacturers and more than hundred brands worldwide. Business network is very important to tyre manufacturers in selling their products and the only way to let their product distributed well is through a distributor or dealer. In tyre industry, the competition basically principled based on quality, price, customer service and merchandises for customers. Intense competitive pressures from one or more competitors could affect prices or demand for products. If an organization is unable to timely and appropriately respond to these competitive pressures, its financial performance and the market share could be adversely affected (The Home Depot Inc., 2008).

As price is affected by competition, the consumer's purchasing behaviour will also be affected. Avlonitis and Indounas (2005) said that any changes in price will have a big impact towards the buying decision of consumer. Meanwhile, according to Yeow, Chow, Cheak, & Soon (2014) in developed countries consumers are becoming