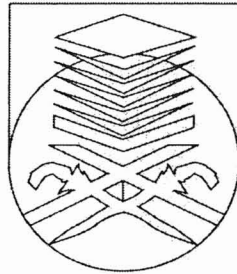


**FACTORS THAT EFFECT CONSUMERS'
PURCHASE OF CARS IN MALAYSIA TOWARDS
THE IMPLEMENTATION OF ASEAN FREE
TRADE ZONE AGREEMENT (AFTA)**



**INSTITUTE OF RESEARCH, DEVELOPMENT
AND COMMERCIALISATION
UNIVERSITI TEKNOLOGI MARA
40450, SHAH ALAM,
SELANGOR DARUL EHSAN
MALAYSIA**

By

FAIZAH MASHAHADI

SHARIFAH HERYATI SYED NOR

July 2007

Tarikh : July 2007

Prof. Dr. Azni Zain Ahmed,
Penolong Naib Canselor (Penyelidikan)
Institut Penyelidikan, Pembangunan dan Pengkomersilan (IRDC)
UiTM Malaysia,
40450, Shah Alam,
Selangor Darul Ehsan.

Prof,

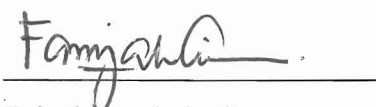
**LAPORAN AKHIR PENYELIDIKAN ‘ FAKTOR-FAKTOR YANG
MEMPENGARUHI CORAK PEMBELIAN KERETA OLEH PENGGUNA DI
MALAYSIA APABILA AFTA DILAKSANAKAN’**

Merujuk kepada perkara di atas, bersama – sama ini di sertakan 2 (dua) naskah Laporan Akhir Penyelidikan bertajuk ‘ Faktor- Faktor Mempengaruhi Corak Pembelian Kereta Oleh Pengguna Di Malaysia Apabila AFTA Dilaksanakan’ oleh kumpulan penyelidik dari Fakulti Pengurusan Perniagaan, UiTM Melaka untuk makluman pihak puan.

Untuk pengetahuan pihak pengurusan, kajian ini telah dijalankan tanpa geran pembiayaan daripada mana-mana sumber.

Sekian , terima kasih.

Yang Benar

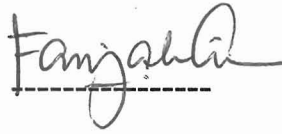


Faizah Mashahadi

Ketua Projek Penyelidikan

MEMBERS OF THE PROJECT

Faizah Mashahadi
Ketua projek



Handwritten signature of Faizah Mashahadi, written in cursive script, positioned above a dashed horizontal line.

Sharifah Heryati Syed Nor
Ahli Kumpulan



Handwritten signature of Sharifah Heryati Syed Nor, written in cursive script, positioned above a dashed horizontal line.

ABSTRACT

FACTORS THAT EFFECT CONSUMERS' PURCHASE OF CARS IN MALAYSIA TOWARDS THE IMPLEMENTATION OF ASEAN FREE TRADE ZONE AGREEMENT (AFTA)

By:

FAIZAH MASHAHADI

SHARIFAH HERYATI SYED NOR

July, 2007

Sale of imported car has been increasing since 2000 even before AFTA were fully implemented. Market share of imported car was 25.9% in 2003 as compared to only 19.6% in 2000. It is an indication that Malaysians are slowly switching their preference for imported cars. With the implementation of AFTA, it is expected that prices of cars will decreased due to the reduction in tariffs. This paper studies the effects of AFTA on consumers' buying patterns towards local and imported cars. The focus is mainly on the consumers' current expectation of local car, current purchasing pattern, and their purchasing behavior after the implementation of AFTA. The identification of important factors that will influence the consumers' buying pattern is given special attention.

A survey was conducted to collect relevant data and self-administered questionnaire was used to record the responses of the target group, the car buyers. The questionnaires were randomly distributed to 150 respondents and 134 were

completed and subsequently used for the study. The data were analyzed using selected descriptive statistics, and factor analysis.

Factor analysis was used to find the factors which affect the purchasing patterns of car by consumers. The study found that attribute of the car to be the most important factor in shaping consumers' current expectation of cars and their purchasing pattern. The same factor will affect the purchasing pattern the implementation of AFTA.

Based on the results, local car manufacturers should focus on a few areas after AFTA. They include: (i) providing excellent maintenance and repair services to the consumers, (ii) conducting R&D so as to provide up-to-date attributes of cars they produce, and (iii) continuously study consumers' tastes and preferences so that they can be included in designing new car models.