

**THE INCLINATION AND CHALLENGES OF MALAY
ENTREPRENEURS IN FOODSERVICE INDUSTRY**

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Dear Associate Professor,

**FINAL RESEARCH REPORT “ THE INCLINATION AND CHALLENGES OF
MALAY ENTREPRENEURS IN FOODSERVICE INDUSTRY”**

With reference to the above, enclosed are three copies of Final Research Report entitled,
“ The Inclination and Challenges of Malay Entrepreneurs in Foodservice Industry” done
by a group of researchers from UiTM Sarawak Branch, Samarahan Campus.

Thank You.

Yours Sincerely,



JELANI RAZALI
Leader
Research Project

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ABSTRACT

This study attempted to identify the factors leading to the inclination of Malay entrepreneurs to the food stall business, their current status and challenges. The study involved 203 samples which were chosen from the areas under the jurisdiction of DBKU. The respondents were divided into two groups: mobile and permanent.

The study showed that there were 13 factors contributing to the inclination of Malay entrepreneurs to the food stall business. The top 3 factors that they agreed most were “good cash flow”, “more people eat out nowadays” and “they want to be their own boss”. 64.56% of the respondents needed more than RM2,000 to start their business and 74.13% used personal savings for the start-up capital. The study also revealed that the operators generally did not encounter serious challenges in the foodservice business. 64.24% of the respondents rated the competition as mild. There were no serious problems with availability of business premises, rental rate and customer patronage. 93.47% of them reported making profit and the average monthly profit was between RM500 to RM1,500.

The study found that there was no single factor contributing to the high profit (more than RM1,000) in the foodservice industry. Among these factors were suitable location, higher educational level, more experience in the foodservice industry, opening

CHAPTER 1

INTRODUCTION

This chapter discusses the introduction relevant to the study under the following subjects: country economy overview, global trend in eating out, statement of problem, objectives, significance, scope and limitations of the study, and definitions of terms used in the study.

1.1 Country Economy Overview

Malaysian society is pluralistic. The main races in Malaysia in 2004 are Malays 50.3%, people of Chinese origin 23.8%, people of Indian origin 7.2%, and others 18.7%.

Malaysia experienced economic boom for a good number of years, from 1988 to 1996, with average GDP growth rate of 8.7% per annum. It achieved virtual full employment from 1993 to 1996. However, the Asian economic crisis which broke out in 1997 caused a sharp recession to many of the Asian countries, including Malaysia. The impact on the economy and the unemployment rate was so great that by the fourth quarter of 1997, there were 7,423 workers retrenched and the real GDP contracted by 7.4% in 1998. The crisis had particularly hit hard small businesses as they had little capital to withstand the recession and remain operationally viable. The then finance minister Tun