



**TENDER BIDDING FAILURE:
THE CASE OF OTIS ELEVATOR (M) SDN BHD**

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ABSTRACT

According to Otis Final Report 2013, Malaysia Gross Domestic Product has been growing at a 5.6% since 3 years and Kuala Lumpur accounts for over 50% of the construction projects in Malaysia with focus on commercial and residential projects. This situation gives opportunity for OTIS Elevator (M) Sdn Bhd to win for more projects in future. However, recently OTIS had lost over a numbers of project lead to lowering their market coverage. This study will find out what are the factors that leads to OTIS bidding failure and which factor is most dominant. Another objective is to find out the recommendation on how to overcome this problem. Interview and observation method was used to find the information supported with documents from OTIS itself. Five variables were found out but at the end only four factors lead to this issue. The most dominant factor is quite difficult to overcome thus researcher suggestion most on discounting and services elements. As going more details, this study found out a negative relationship between findings from interview and researcher observation. Researcher also has successfully met all her research objectives.

CHAPTER 1

INTRODUCTION

1.1 Background of the study

Elevator and escalator are products that categorized in a niche and specialized market. In this industry companies always in a standby mode to grab any opportunities that may arises from developer or contractor. The numbers of projects that the companies won represent the rank and level of their market share in industry. This study is to find the problem exists in the OTIS Elevator (M) SDN BHD that will affect their market share especially from marketing perspective. Based on the observation and interview with staffs from New Equipment Sales Department, Purchasing Department, Sales Support Department and Service Sales Department during practical session the problem is Otis had lost over a numbers of projects that lead to lowering their market share in the industry.

This study will further explain what factors that lead to lost in bidding projects, which is the dominant one, it effects, it's important and how to solve this problem based on primary and secondary data that researcher found out. At the end, researcher will give her own opinion and ideas on how to help this company lead in the industry.

1.2 Organization Background

1.2.1 History

Otis' presence in Malaysia dates back to 1920 when the first elevator was installed in the E&O Hotel in Penang. In 1939, the