



**AN ANALYSIS OF PROBLEMS ON PHYSICAL
EVIDENCE OF LOT 80 SDN. BHD.**

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ABSTRACT

The industry for kitchen cabinet in Kuching is now expanding. As the living standard of the people has increased and with the increasing demand for new houses, housing estates bloom like mushroom. Therefore, the potential for this industry is a bright future. In fact, this is also contributes to the development of other related industries. Most of people in Kuching demand for nice and comfortable kitchen when purchasing or renovating a house. While in the 70's and 80's as long as there was a place to cook, it was sufficient.

Lot 80 Sdn. Bhd. is an example of a company dealing with kitchen cabinet works as it main business. The side operation is selling products that are related to interior decorations. As a service company, Lot 80 Sdn. Bhd. offers services include designing kitchen cabinet according to the customer's taste and preferences. Besides that, it also offers consultation service on kitchen cabinet design and interior design.

As we know, services are intangible, cannot be seen, touched and smelled. It only can be experience during the service being delivered. The marketing challenge in addressing this unique issue is to provide tangible aids or cues that are reassuring to customers, that is physical evidence of both competency and the efficiency of services. The service firms must make sure that they choose the correct physical evidence so that it will not defeat the whole purpose.

1.0 INTRODUCTION

1.1 Background of study

In the past 10-15 years the service marketing approach has become increasingly dominant. In service businesses, we need to understand the unique characteristics of marketing services as opposed to products. Services are intangible. They cannot be seen or touched, only experienced as they are delivered. Therefore, they are harder to sell because they cannot be tested and tasted by the consumer before purchasing.

The marketing challenge in addressing this unique issue is to provide tangible aids or cues that are reassuring to consumers, that is, physical evidence of both competency and the efficiency of services. Physical evidence is the physical environment in which the service is delivered and where the service provider and the customer interact. For examples, signboard, landscape, business card, physical appearance and other tangibles that support the services. The service firms must make sure that they choose the correct physical evidence so that it will not defeat the whole purpose.

Indeed, the new millennium will bring forth both challenges and opportunities in the service business for many organizations. The service industry for example should look at the importance of physical evidence in their service marketing to strengthen their business. Lot 80 Sdn. Bhd. is an example of a service company. It started its operation in June, 2000. It is situated at Lot 80, Section 22, Jalan

2.0 LITERATURE REVIEW

2.1 The service industry

The shift towards manufacturing and services activities has been a feature of the Malaysian economy. Thus it is reasonable to say that as Malaysia develops, we are changing our economic structure from being agriculture –based to a greater focus on services and value-added manufacturing (Marketing of Services Manual, 1999, p.5).

As a country becomes industrialized, it also achieved higher standard of living and economics affluence. This is followed by higher demand for goods and services. ((Marketing of Services Manual, 1999, p.5).

Figure 1.1 indicates the changes in the shares of the 3 sectors to the GDP (total output) of Malaysia from 1970-2000.