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CUSTOMERS AWARENESS AND PERCEPTION TOWARD SARAWAK HANDICRAFTS



A project paper submitted in partial requirement for the degree of Bachelor of Business Administration (Honours) (Marketing)



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ABSTRACT

The tourism industry in Sarawak has undergone rapid development in recent years and the State is fast growing in popularity as a major tourist destination in South-East-Asia. The industry earned Sarawak about RM250 million in 1995, recorded from over 1.07 million foreign visitors. The growth in the tourism industry has an impact on tourism related products such as handicraft, which has become a major revenue earner for the State due to the increasing demand from both foreign and local tourists alike.

Parallel to this development is the influx of foreign handicrafts notable from Indonesia, covering up to 70 per cent of the local handicrafts market due to insufficient local supply to meet the increasing in demand for handicrafts.

This situation has prompted the study to be conducted to assess customers awareness and knowledge of the situation, customer perception towards Sarawak handicrafts. It also highlight pertinent issues concerning Sarawak handicrafts in general and finally to offer and recommend possible strategies to address the issues.

This study found that customers are fully aware of the influx of foreign handicrafts into the local market but lack the product awareness and knowledge about handicraft features and attributes. Majority of the customers have unfavourable perception toward local handicrafts which could be overcome through product differentiation such as branding, product positioning and packaging. Some strategic issues concerning the industry are identified and finally the Government intervention is called for, to control the situation for the healthy development of the local handicraft industry.

CHAPTER ONE

1.1 Background of the study.

Sarawak is the largest state in Malaysia with an area of 124,449 square kilometers. It is situated in the northern part of the island of Borneo and shares its southern boundary with Kalimantan, Indonesia. To the north-west, Sarawak adjoins Sabah with Brunei forming two-pronged enclave in the state. Kuching is the capital city of Sarawak.

Being a tropical state, Sarawak is blended with abundance of raw materials for working handicraft. Forests produce such reeds, palm leaves, rattan, clay are found in abundance. These basic raw materials which the craft people have been using over the centuries to produce crafts works and decorating them with the most intricate and delightful designs, patterns and traditional motifs. These antics are mainly produced for everyday use as well as for religious rituals and ceremonial purposes.¹

The people of Sarawak all seem to share an artistic temperament; virtually every ethnic group provides excellent handicrafts and many cultures have developed their traditional skills to the level of fine art. The Sarawak handicrafts can be categorized as follows:

¹ Sarawak Craft Council, seminar paper,1998,pp 5.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The Sarawak handicraft industry is perhaps one of the oldest industry in so far as Sarawak is concerned. It started as cottage industry, family and communal affair, developed into one of the most flourishing and promising multi-million ringgit industry today, contributing significant revenues to the State and national economy, in tandem with the development of the tourism industry.

However, we have no idea whether any research has been done in this field of study, particularly regarding customers awareness and perception towards Sarawak handicrafts. Previous studies carried out by Rabbak (1996) and Pluman (1989), uncovers some of the strategic issues concerning the handicrafts. Amongst the issues cited are:

(a) Lack of quality control.

Rabbak (1996) identifies that the quality of product is subjected to the skills of the craftspeople. Different craftspeople have different levels of skill which then lead to lack of standardization in product quality.