



THE EFFECT OF PRICE HIKES TOWARD SUPPLIER ON A PROJECT:  
CASE STUDY OF OILGON SOLUTION SDN BHD

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## **ABSTRACT**

Price hike represents a change in the offered price as well as a price-setting practice. During price hike, all parties such as manufacturer, supplier, company and consumer affected. The objective in this study firstly is to identify the effect of the price hikes among the supplier in Oilgon Solution project and secondly is to determine the dominant factor that affect the price hikes among the supplier in Oilgon Solution project which are economy, technology and regulation. During price hike, Oilgon Solution will face a few problems such as project delays; negotiate back their contract with their client and supplier price pressure. This study aims to focus to supplier of Oilgon Solutions since during the price hike; the changes in price in supplier will affect company as well. The result of this study would be obtained through a set of questionnaire in Google form and sends to 20 suppliers. The result of the research point out that the during price hike, it will impact company client or consumer as well and regulation as a main factor that effect the price hike.

**KEYWORDS :** Price Hike, Price, Economy, Technology, Regulation

## INTRODUCTION

### 1.1. Background of the Study

Price is a value of product or services which is provided by companies. Usually price is determine or influenced by demand, supply, economic or government policies. Any changes in price will affect the companies because it will change their price settings. Price-hike means the uncommon increase in the price of daily necessities. According to Jodie and Pam (2013), a price increase represents a change in the offered price as well as a price-setting practice. While a newly posted price may or may not be noticed by consumers in practice, some company proactively disclose price increases. If there is sudden price hikes, most companies will be affected as well as their client and suppliers. The companies need to reschedule back their price setting and try to overcome the problem.

During price hike, all parties such as manufacturer, supplier, company and consumer need to revise back their price setting. The basic law of demand is the relationship between the price people or companies want to pay and the amount they want to buy. The relationship between businesses to business markets need to strengthen because the rules are differ according to what is the product is a commodity or manufactured. This is because if there is negative or bad relationship between these two parties, the business cannot be done. Both parties need to tolerate and understanding each other so that the business can be done without any issues.