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SARAWAK SECURITIES SDN BHD  
THE IMPORTANCE OF SERVICES MARKETING AS A  
COMPETITIVE TOOLS

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## 1. INTRODUCTION

### 1.1 Background of Study

The expiry of the monopoly moratorium period for Sarawak Securities Sdn Bhd, the huge number of clients closing their trading accounts, the large number of remisiers moving to other stockbroking house, large number of clients transferred to other stockbroking house and the need to improve on the market share in terms of volume traded has prompted me to conduct the study on the services provided by Sarawak Securities Sdn Bhd.

Sarawak Securities Sdn Bhd could not afford to be complacent with the services currently provided because now the investors have the basis to compare the services provided and also choices of stockbroking firm to choose from. Therefore, the study on the services provided by the company is considered appropriate because in today's business world, especially those companies that are involves with services, it is critical for the company to have a good management of services in order to have a competitive edge over their competitors.

The emergence of competitors such as Borneo Securities and the rumours that other stockbroking houses from West Malaysia intention to spread their wings to Sarawak has made it necessary for the company to review their existing services.

Therefore, through this study it is hope that the company will be able to determine the reasons for the large number of clients closing their trading accounts with Sarawak Securities Sdn Bhd, reasons some remisiers left the company for other stockbroking firm, reasons for the dropped in market share in terms of volume transacted in the Kuala Lumpur Stock Exchange, and also to determine what the clients expect Sarawak Securities Sdn Bhd offer.

## 2. SARAWAK SECURITIES SDN BHD

### 2.1 Background of the Company

Sarawak Securities Sdn Bhd was incorporated on 20 June 1991 and commenced operations as a stockbroking company in March 1992.<sup>4</sup> The company is a subsidiary of Cahya Mata Sarawak through Cahya Mata Sarawak' wholly owned subsidiary, CMS Capital Sdn Bhd ("CMS Capital") (formerly known as Syrakusa Corporation Sdn Bhd). Based in Kuching, Sarawak Securities Sdn Bhd is the first stockbroking firm to operate in Sarawak. Notwithstanding the expiry of the moratorium imposed by the Ministry of Finance prohibiting the establishment of another stockbroking firm in the State on 16 March 1995, Sarawak Securities Sdn Bhd remains the dominant stockbroking firm operating in the State.

Sarawak Securities Sdn Bhd's monopoly in Sarawak ended in October 1998 when Utama Securities Sdn Bhd ("Utama Securities") became operational in the oil-rich Miri town. The firm, owned by Utama Banking Group Bhd ("UBG") through its 51%-owned subsidiary Utama Capital Sdn Bhd ("Utama Capital"), is a sister company of Sarawak Securities Sdn Bhd by virtue of Cahya Mata Sarawak' 51.8% stake in UBG as at 31 December 1998.

### **3. SERVICE MARKETING**

#### **3.1 Definition of a Service**

A service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

#### **3.2 Characteristics of a Service Marketing**

There were two different opinions raised by researchers about the characteristics of a service marketing. The early researchers in their findings stressed that they are four generic differences distinguishing a goods and services, whereas the later researchers believed that there are eight generic differences that are helpful in distinguishing services marketing from goods marketing.

##### **3.2.1 Four Generic Differences Distinguishing A Goods and Services Marketing**

Early researchers in services marketing often encountered criticism of their work on the ground that services were not really different from goods ( Fisk, R.P., Brown, S.W. and Bitner, M.J., ). There was also dispute over what constituted a service. Much of the initial research into services sought to differentiate them from goods, focusing particularly on four generic differences - intangibility, inseparability, variability, and perishability.