



UNIVERSITI TEKNOLOGI MARA

**A MARKETABILITY STUDY OF MALAYSIA  
AIRPORTS BERHAD RETAILING BUSINESS AT  
KUCHING INTERNATIONAL AIRPORT**

**JUNAIDI B. HJ. AMBOL**

**ADVANCED DIPLOMA IN BUSINESS STUDIES  
(MARKETING)  
SCHOOL OF BUSINESS AND MANAGEMENT  
MARA INSTITUTE OF TECHNOLOGY**

**NOVEMBER 1996**

## *TABLE OF CONTENTS*

|                   | <b>PAGE</b> |
|-------------------|-------------|
| Acknowledgements  | ii          |
| Table of Contents | iii         |
| List of Tables    | ix          |
| List of Charts    | x           |
| Abstract          | xi          |
| Summary of Study  | xii         |

### *CHAPTERS*

#### **1. INTRODUCTION**

|                               |   |
|-------------------------------|---|
| 1.1. Background               | 1 |
| 1.2. Scope of Study           | 3 |
| 1.3. Problem Statements       | 4 |
| 1.4. Objectives of the Study  | 5 |
| 1.5. Significance of Study    | 6 |
| 1.6. Hypothesis Statements    | 7 |
| 1.7. Limitations of the Study | 8 |
| 1.8. Definition of Terms      | 9 |

#### **2. LITERATURE REVIEW**

|  |    |
|--|----|
| 2.1. Introduction To Malaysia Airports Vision<br>Statement, Objectives and Mission Statement |    |
| 2.1.1. Introduction to Malaysia Airports   | 11 |
| 2.1.2. Malaysia Airports Berhad Mission<br>Statement   | 11 |

## ABSTRACT

The study focus on the operation of *an airport retailing business* at *Kuching International Airport* . The objective of the study is to find out the passenger demand pattern and the profitability of the airport's retailing business. This project paper will also focus in general the topic of corporate image of Malaysia Airports at Kuching International Airport to *supplement* the above study. Malaysia Airports has been overshadowed by Malaysia Airlines because when the passengers are at the airport they only think of Malaysia Airlines.

The study shows that majority (81% - Page 53) of the airport users frequent airport shopping mall. Impulse and convenience shopping items are mostly sought by the passengers. Duty free products (Liquor, cigarettes and chocolates) recorded the highest turnover followed by non dutiable (government duty exemption) products (watches, electrical product, perfumes and fragrance). Sales of local produce products (frozen local shrimps, fish "ikan terubok", rattan mats, bird nest and shark fins) is also a major player in contributing to the sales volume at the airport.

Sales pattern at the Kuching International Airport are seasonal. Sales fluctuates and the highest being in the month of January to February (Chinese New Year / Hari Raya Puasa); May to June (Gawai Celebration); August to September and November to December

## CHAPTER 1

### 1. INTRODUCTION

#### 1.1 Background

This project paper will focus its scope of study on the operation of airports retailing business at Kuching International Airport. Malaysia Airports Berhad is the company responsible to manage and operates Kuching International Airport. The study will explore into the profitability of airport business. Another area of study is the airport customer demand pattern and Malaysia Airports Berhad corporate image. Passengers will always relate airport with Malaysia Airlines (MAS).

Airport retailing business has become a niche market. There use to be a temptation to take advantage of air travellers, a captive audience forced to spend an hour or more waiting with nothing to do but to shop. Airport concession operators assumed travellers would shop anything or go into any shop. Kuching International Airport has change tremendously and has transform from boring airport into a lively shopping mall. The management has more on the pipeline to transform further into one stop shopping centre. The study will browse through what people like the most, how an airport can become more customer friendly and provide more variety, a more pleasant atmosphere, nice ambience, fair prices and

## **CHAPTER 2**

### **2. LITERATURE REVIEW**

#### **2.1 Introduction To Malaysia Airports Vision Statement Objectives and Mission Statement**

##### **2.1.1 Introduction to Malaysia Airports**

Malaysia Airports Berhad or better known as MAB was incorporated on 1 November 1996 under the Airport Services and Aviation Act of 1991.

##### **2.1.2 Malaysia Airports Mission Statement**

*Malaysia Airports corporate mission is to provide a world class service to all their customers.* Therefore airport users, be they passengers, shippers or tenants Malaysia Airports will give top priority by providing them with a variety of high quality services. Mission is a journey not a destination.

##### **2.1.3 Malaysia Airports Objectives**

Malaysia Airports is fully prepared to cope with markets and structural changes. Malaysia Airports objectives are;

2.1.3.1 to become “corporately multinational”,

2.1.3.2 to seek partnerships and systems collaboration with other airports and other forms of transport,