

**THE EFFECTIVENESS OF DIRECT SELLING STRATEGIES
USED BY LUXOR ON ITS GAMAT'S PRODUCT IN BANDAR
BARU SELAYANG, FASA 1**

NAME	REG.NUMBER
NUR DIANA BT. MOHAMAD JAFLUZ	08DPA01F005
NOR HIDAYATI BT. SUHAIMI	08DPA01F006
FARAH HANI BT. RAZALI	08DPA01F014
ROSNAINI BT. JELANI	08DPA01F018
NOR HIDAYAH BT. ABDUL HALIM	08DPA01F028

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AS TO FULLFILL THE REQUIREMENT OF DIPLOMA IN
INTERNATIONAL BUSINESS

CONFIRMATION OF THE PROJECT REPORT

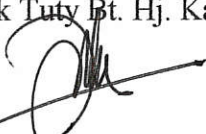
The project report which is titled “ The Effectiveness of Direct Selling Strategies Used By Luxor on Its Gamat’s Product In Bandar Baru Selayang, Fasa 1” is presented, checked and confirmed as to fulfill take condition and needs of the project writing as given to us.

Checked by:

Name of Advisor : Cik Tuty Bt. Hj. Kamis

Signature of Advisor :

Date


: 14/5/2009

Confirmed by :


Name of Coordinator : Pn. Norfaizah Bt. Abas

Signature of Coordinator :

Date :




"We admit this outstanding piece of work is our own work except each part we had already explained the sources."

1. Signature : 

Name : Farah Hani bt. Razali

Reg. No. : 08DPA01F014

Date : 18/5/04

2. Signature : 

Name : Nor Hidayati Bt. Suhaimi

Reg. No. : 08DPA01F006


Date : 18/05/2004

3. Signature : 

Name : Nur Diana Bt. Mohamad Jafluz

Reg. No. : 08DPA01F005


Date : 18/5/04

4. Signature : 

Name : Rosnaini Bt. Jelani

Reg. No. : 08DPA01F018

Date : 18.5.04

5. Signature : 

Name : Nor Hidayah Bt. Abdul Halim

Reg. No. : 08DPA01F028

Date : 18.5/04

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ABSTRAK

“The Effectiveness of Direct Selling Strategies Used by Luxor On Its Gamat’s Product In Bandar Baru Selayang, Fasa 1” merupakan satu projek untuk mengenalpasti keberkesanan saluran agihan produk Gamat oleh Luxor, menentukan strategi pemasaran yang sesuai untuk produk Gamat oleh Luxor dan mengetahui maklumbalas dari pengguna tentang produk Gamat. Permasalahan yang wujud adalah untuk mengetahui sejauh mana keberkesanan produk gamat dalam strategi pemasarannya. Cara penyelesaiannya dengan membuat soal selidik yang akan menjawab segala permasalahan. Prosesnya adalah dengan menyerahkan soal selidik kepada penduduk di Bandar Baru Selayang , Fasa 1 untuk menjawab soalan soal selidik tersebut. Keputusan yang diperolehi dari responden amat memberangsangkan dan dapat membantu mencapai objektif yang ingin dicapai.

ABSTRACT

The Effectiveness of Direct Selling Strategies Used by Luxor on its Gamat's Product in Bandar Baru Selayang, Fasa 1 is a project to identify effectiveness of distribution channel of Gamat's Product by Luxor. To determine marketing strategies is suitable used for Gamat's Product by Luxor and to know feedback from customer about Gamat's Product. The problems in the project is to know the effectiveness about Gamat's Product in marketing strategies. Questionnaire is used for answer all the problems. Giving the questionnaire respondents at Bandar Baru Selayang, Fasa 1 to request the questionnaire is the process. The result from respondents is excite and can support to achieve the objectives on this this project study.

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1.0 INTRODUCTION

1.1 RESEARCH BACKGROUND

1.1.1 Luxor Holdings Sdn Bhd

Over the last twenty years the business activities of Luxor Group of Companies has expanded and diversified from its original core business which is electrical & consumer electronics into other business areas such as Property Development, Direct Sales and Information Technology.

Luxor Holdings Sdn Bhd is an investment holding company formed to streamline the different business activities carried out by the respective subsidiaries under a single corporate identity. This move enables the management of Luxor Holdings Sdn Bhd to provide management services and business guidance to all the subsidiaries under its umbrella. Today the group is engaged in three core business categories which are briefly discussed below.

The first core business is Electrical & Consumer Electronics. There are two companies under this business categories that are Luxor Electric Corp. Sdn. Bhd. and Luxor IT Solutions Sdn. Bhd. The second core business is Direct Selling that activities are carried out by Luxor Beauty World Sdn. Bhd. and Luxor Network Sdn. Bhd. The third core business is Property. The property development activities are carried out under Luxor Properties Sdn. Bhd. and Constant Knight Sdn. Bhd.

1.1.2 Luxor Network Sdn. Bhd.

Luxor Network Sdn. Bhd. is a direct selling company focusing on a range of products which encompasses health food supplements, beverages, personal care and home care markets. Luxor Network Sdn Bhd was incorporated in 1994. It began active business as a multi-level marketing company. The company's philosophy is to market quality products at reasonable prices thus maintaining our tagline "Quality Products, Reasonable Prices". It also aim to continuously achieve the following principles that are integrity, zealousness, superior quality, excellent service and friendly environment.

The company was the pioneer to introduce the use of 'gamat' extracts to produce and distribute a range of health and personal care products for the Malaysian market. It also collaborates with local universities in the future research and development in this area. Luxor Network Sdn. Bhd. has more than sixty thousand distributors / members to date and has expanded rapidly with six branches in Malaysia together with associate and sussidiary companies in Indonesia and Brunei respectively.

In order to select and produce products of exceptional quality, the company maintains a panel of scientists locally and from overseas to research further on them. The panel of scientists is headed by Dato' Professor Sham Sani who is the chairman for the panel. He was the former Vice-Chancellor of the University Kebangsaan Malaysia. At various times, between 1974 to 1988, he has served as Head, Department of Geography, Deputy Dean and Dean of the

Faculty of Social Sciences and Humanities. Among 1991-93, he was appointed Distinguished Professor of the Tun Abdul Razak Chair in Southeast Asian Studies at the Centre for International Studies, Ohio University, Athens, USA.

In his career he has won many awards, the most recent was the Foundation Fellow, the Academy of Science Malaysia in 1995. Luxor Network Sdn. Bhd. deals with two main ranges of products, namely the "Serigama GAMAT" range and the "Platensen "AAA" Spirulina" range.

Products such as "Jeli Gamat" and "Minyak Gamat" made from "GAMAT" or sea cucumber was popular and used by the Malays as traditional medicine for the past 300 years. Today, Luxor Network Sdn Bhd has further researched and refined the formulation to make its own range of "Serigama GAMAT" products. Due to its many therapeutic value and healing properties, the products are becoming more widely accepted by the non-Malay communities.

1.1.3 Background Study

The title of our research is "The Effectiveness of Direct Selling Strategies Used by Luxor on Its Gamat's Product in Bandar Baru Selayang Fasa 1. The topic that research choose about gamat because nowadays as we know there have a lot of benefit by using gamat's product that can cure the users from many disease.

Gamat is a sea creature that lives between or under the corals, having the shape of a cucumber or jackfruit. It is estimated there is about 1100 sea cucumber species in the world but only 50 species is found in Malaysian waters.

Gamat is available in various colors, black, white, brown, stripe, etc. But the species being the most nutritious, purest and having the highest quality is yellow gold in color - known as the Golden Sea Cucumber or *STICHOPUS HORRENS*.

Base on scientific research and from consumer's response, gamat is able to cure external and internal wounds (gastric) quickly, reduces pain, regulate asthmatic symptoms, improve heart function, regulate blood flow and increases body cells metabolic rate which indirectly increases energy, decreases cholesterol and glucose level.

A part from this, research has shown that it is able to increase body immunity system and decreases allergy. The Golden Sea Cucumber is nature's gift that is able to cure ulcers and prevent other diseases with proper doses.

In this research, research focus in two main products namely "Jeli Gamat" and "Hi-C Roselle Gamat". Based on many satisfied users, "Jeli Gamat" is effective in promoting the healing of wounds fast, improve blood circulation, beautify the skin and also slow down the aging process. "Hi-C Roselle Gamat" is use for nourishes the skin, detoxifies and cleanses the toxin from the blood stream, strengthens the lymph and colon.

1.2 PROBLEM STATEMENT

- a) To know the community acceptance of Gamat's Product by Luxor.
- b) The difficulties to get information of Gamat's Product by Luxor on marketing strategies.

1.3 MAIN OBJECTIVE

- a) To find out the consumer feedback on price of the Gamat's product by Luxor.
- b) To find out the consumer feedback on packaging of the Gamat's Product by Luxor
- c) To determine the suitability of marketing strategies by Luxor on Gamat's product.
- d) To identify the effectiveness of distribution channel of Gamat's product by Luxor.



1.4 RESEARCH SCOPE

- a) To know about the feedback on types of packaging from the consumer.
- b) To identify the marketing strategies on Gamat's product are convergent on price and product.
- c) To know the distribution channel that being use of Gamat's product sales.
- d) To find out the method of promotion that being used for Gamat's Product by Luxor.
- e) To know the colour of packaging that can attract consumer attention.

1.5 LIMITATION OF RESEARCH

- a) Not all the information collected will be accurate based on the party which co-operate.
- b) Insufficient of time to complete this research.

1.6 DEFINITION OF RESEARCH TERM

- a) **DSAM** - Direct Selling Association of Malaysia
- b) **Hai Som** - Gamat (Chinese Language)
- c) **IT** - Information Technology
- e) **MOSTE** - Ministry of Science Technology and Environment

2.0 LITERATURE REVIEW

Gamat is a sea creature that lives between or under the corals, having the shape of a cucumber or jackfruit. It is estimated there is about 1100 sea cucumber species in the world but only 50 species is found in Malaysian waters. The Golden Sea Cucumber is nature's gift that is able to increase body immunity system and decreases allergy. According to Prof, Dr. Hassan Yaacob, Director of Healing Gamat who has done eight years research in the use of gamat in traditional medicine it is a proven fact that gamat is "nature's gift" and its use has to be exploited to the fullest. He said " early research about gamat started when he witnessed the effect of gamat on his grandmother's surgery wound that was infected and produced put on the outer wound. The wound healed faster after consuming gamat without taking medicine from the hospital. From that point in 1990, his research on gamat started.

His eight years research included a year at The Research Institute for Traditional Medicine, Medical and Pharmaceutical University of Toyama, Japan. It is only after this that the product was produced with a better quality and authenticity, the exact dosage and is hygienically guaranteed. He has identified the importance of extracted gamat liquid by purifying and isolating the active ingredients in it. This was the first time where gamat was prepared scientifically, with guarantee of its hygienity and is now available in the market.