

## FACTORS THAT AFFECTS THE INABILITY TO ATTRACT INVESTOR INTO SEDENAK INDUSTRIAL PARK: A CASE STUDY OF COMPANY X

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### ABSTRACT

Nowadays it was challenging for company to market and sell its products or services. There are many factors that need to be consider by the company in order to ensure the consumer aware about the products and in other hand, the product itself are accepted by the consumer by meeting their needs and wants. Therefore this research is to study the inability of Company X to attract manufacturing company to invest into Sedenak Industrial Park. The researcher gathers data through interviews which was conducted mainly through Company X Marketing Manager, Assistant Marketing Manager, Marketing Officer and several local manufacturers. The data also acquired through secondary data such as journals, annual reports, internal reports and articles. There are several factors being discovered that cause inability of Company X to attract new investor which were Company X marketing and promotion practice besides the product attributes and characteristic itself. Finally, the research provides recommendation in order to improve current practice conduct by Company X in making the industrial area more attractive in the market thus enable it to attract manufacturer to invest into the area.

*Field of Research:* Marketing, industrial properties, factors, promotion, investors

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### 1.0 INTRODUCTION

Company X is the company that runs commercial project management and infrastructure development as well as being a marketing agent and project developer. The company provides professional service on total project management for all projects inclusive of design and construction of buildings, school, hospitals, port, stadium and specializing in development of industrial estates. The company provides service from preliminary stage, designing, contract preparation and construction. Company X duty is to make promotional and advertising activities in order to attract new investors from domestic and international besides improving their reputation and relationship with existing clients. Currently Company X has been using various marketing and promotional methods mostly through directories, books, magazines, property exhibitions, direct marketing and also trade and investment mission to overseas which enable them to generate RM 184.36 million in 2011.

Company X actively take part in marketing program in order to promote their product organized by MIDA (Malaysian Industrial Development Authority), Ministry of international Trade and Industry and Johor State Government. Due to their marketing strategies Company X are able to gain many enquiries regarding their industrial land. This shows that the company marketing program did achieve their main objective which is to send their message and create awareness to consumer towards their product. However records shows that there are slide drop in terms of number of enquiries. The enquiries received for the period of January – September 2012 are 369 drops 12.5 percent compare to 420 inquiries for the same period in 2011. From the total enquiries received for the period of January – September 2012, 202 inquiries received from local investors while 167 are foreign investors. Most of the enquiries received from foreign investors come from Singapore, Japan, China, Korea and Europe.

Currently the company is developing an Industrial area of 700 acres in Sedenak and various strategies has being conducted in order to encourage and attracts investor to invest into the area. However since their development in 2007, Company X is still unable to get companies to invest into the area. According to Company X Marketing Manager and other marketing officer, most of the feedback they received towards companies reluctance to invest into the area is because of the area is too far from the city center, port and too remote.

Company X takes a very good care of their employee's welfare. The company provides much remuneration for their employees to enjoy from. Company X regularly held internal activities in order to improve relationships among members of the organization. Event such as Hari Raya celebrations and family days are held annually. Furthermore the company encourages their employees to live a healthy lifestyle by organizing sporting events such as internal badminton competition and participation in sporting event such as futsal, netball and bowling tournament. Besides that it make a compulsory for all staff to have a medical

checkup which provided by the company annually. Improving employee skills and knowledge is an important factor in order for the employee to be more innovative besides giving a better, effective and efficient service to internal and external customer.

### 1.1 ISSUES

Company X has been well known for their marketing, sales and development of industrial land in Johor namely in Pasir Gudang, Mersing, Kluang and more. In 2007, Company X has acquired 700 acres of land from Johor Corporation in Sedenak to be developed into a new industrial area.

According to Company X Marketing Manager, after five years of the land development, Company X has found it very difficult to attract investors to invest into the industrial area. Compares to other Company X previous sold industrial land which has high demand and until today still received enquiries even though most of the area has fully sold. In order to attract investors various marketing efforts has been done but there is still no positive results. Thus this study is designed to identify the factors that cause the inability of Company X to attract and sell industrial land in Sedenak Industrial Park.

According to Tim Mazzarol and Stephen Choo (2003), among many challenges facing the company is the selection and acquisition of industrial land upon which to site their business. From the statement, it can be understood that there are factors which influence firm buying decisions. Thus this study is also designed to identify the factors influencing company purchasing decision towards industrial land.

### 1.2 PURPOSE OF STUDY

This study will clarify marketing activities and channels which had been conducted by Company X in promoting Sedenak Industrial Area. Thus it would help to generate new ideas and information on marketing efforts and channel that Company X should embark into in order to market and promote Sedenak Industrial Park more effective and efficient. Besides the improvement which should be done to the land in order to improves it value thus it would attract investors to the area.

In order to make a purchase, there are forces or factors which influence consumer to purchase particular product. Thus this study will also help to identify factors which influence organizations buying decision towards the industrial land in order to locate the company operations into. Therefore by understanding what the requirements of firms' industrial property purchase are (needs and wants), Company X can cater to their needs.

## 2.0 LITERATURE REVIEW

### 2.1 Brand Equity

Brand equity is a concept which the brand can add value when it is well recognized and has positive image on consumer mind. According to a website [www.netmba.com](http://www.netmba.com), a brand is a name or symbol used to identify the source of product. Branding is such an essential decision during the development of new product. There are many products with similar functions and purposes thus branding plays a major role on consumer buying decision. Branding are the set of associations and behavior on the part of a brand's customers, channel members and parent corporations that permits the brand to earn greater volume or greater margins that it could without the brand name and that gives the brand a strong, sustainable and differentiated competitive advantage (Keller, 2003).

Brand is not just a name or logo which differentiates a product from its competitor, but it is a set of association that satisfies demands of target customers. Brand equity is a true differentiations' that a brand has from the competition and from consumers that are worth to them (Davis and Doughlass, 1995).

Brand equity also defines as a set of brand asset and liabilities linked to a brand, its name and symbol that add from the value provided by a product or service to a firm and or to that firm's customers (Aaker, 1991).

### 2.2 Brand Awareness

Awareness is important to get customer attention towards the brand of the product (Aaker, 1991). Awareness could be achieved through various methods such as advertising, publicity, event sponsorship, signage, email campaigns, direct mail, packaging, websites, banner advertisement and others. Awareness must be develops with creativity in order to grab consumer attention thus give an impact towards sales of the company.

Brand awareness is the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category (Aaker, 1991). Brand awareness is the consumer's ability to identify a brand under different conditions. This can take the form of brand recognition and rand recall. Brand awareness plays an important role in consumer decision making by bringing three advantages; learning advantages, consideration advantages and choice advantages (Keller, 2003).

Brand management main objective is to develop and maintain brand awareness due to the impact of awareness on consumer decision making and overall effect on firm value. Brand awareness is defined as the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. A link between product class and brand is involved (Aaker, 1991).

### 2.3 Place Branding

A place brand is perceptions that people have about the place, city, region, or a country and a place's reputation among those people that the place embraces (Anholt, 2005). Place brand is residual perception left in the recipient's mind about a place after

encountering its varying facets through personal experience, media exposure, purchasing its products and service or receiving second-hand assessment through word of mouth (Gold, 2006).

Place branding has become necessary requirement as a result of technological advancement and increased mobility of both people and resources in the twenty-first century (Kotler and Gender, 2004). Here, advanced branding theories of destination marketing (Morgan et al, 2004), city marketing (Smyth, 1994) and nation branding (Anholt, 2004) such as those applied specifically to countries, destinations, regions and cities, have been developed to enhance their respective image. This has been achieved through overcoming negative features and instead nurturing the asset of a place, such as culture and heritage, architecture, local skills, prosperous communities and investment for future growth (VishwasMaheswari, Ian Vandewalle and David Bamber, 2011). Place branding is a process that facilitates the creation of the “most realistic, most competitive and most compelling strategic vision for the city, region or country” (Placebrand, 2006). It ensures that a place gets the appreciation it deserves for its existent strength and positive attributes and behaviors, and that the place brand gains appropriate brand equity from the recognition which those behaviors bring (Keller, 2008).

Place brands are completely different from other forms of brands, and place branding is a process that derives from interpretive, rather than common managerial techniques (Pryor and Grossbart, 2007). It is clear that managing the place brand is not solely a task for the public sector, private sector or local governing authorities, but rather a collaborative undertaking of the place’s key stakeholder (VishwasMaheswari, Ian Vandewalle and David Bamber, 2011).

Place branding assist in developing a new image of a place that is more appealing and exciting, thereby making it critically important phenomenon which in turn supports the widely held view that consumers encounter places through perceptions and images, with a place’s image being the sum of the beliefs, ideas and impressions that consumers have gathered of a place (Kotler et al, 1999). Place branding is a process that enables a place to build on all its strengths and make a meaningful sense out of the complex, multi-dimensional characteristics (Hankinsons, 2005) and the often conflicting assortment of its past, current and future identity (van Gelder, 2008). Place branding is a key driver in the sustainability of the place, facilitating economic growth, social harmony, employability, financial confidence and environmental sustainability (Campbell 1996).

Cities and places successful in attracting appropriate resources have succeeded in developing positive brand images that are linked, for example, to attribute such as heritage and history, the spirit and sense of belief in local residents, association with specific legacies and attractive place-specific facets (Hankinson, 2001). The development of these has led to the successful transformation of several post-industrial cities, such as New York, Amsterdam and Glasgow, into vibrant leisure and business tourism destinations reflecting sustainable development and continuous growth prospects (Ward, 1998).

A research suggest that the main components of place branding include regeneration and business development, the need to preserve assets, as well as the ability to optimize the assets to underpin the place brand image (VishwasMaheswari, Ian Vandewalle and David Bamber, 2011). The research also suggests that careful preservation of place-embedded assets is important. This include, complimentary and integrated logistics, improved infrastructures for business and employment purposes, strong associations with the existing cultural and sporting legacies. The preservation of the heritage and culture is an important component of brand image and become a major focus of the recent European Capital of Culture 2008 event, the legacy of which was used to support and enhance the range of infrastructural projects that have driven the recent renaissance of Liverpool (Liverpool Vision 2009).

The research also found that place branding is seen to act as a catalyst in developing a new and refreshed brand image. Furthermore it also found that “media and marketing” and “positive media”, play a major role in generating positive images of a place, and that place branding itself not only assists in brand developments, and its potential extension, but it also drives the momentum for continuous progress (VishwasMaheswari, Ian Vandewalle and David Bamber, 2011).

#### 2.4 Location Decision

Product refers to “good and service” combination of the company offers to the target market. In general, the concept of product includes quality, features, option, style, brand name, offer package, and other tangible and non-tangible elements that influence buyer choice (Abdul Hamid Mar Iman, pg 29, 2002). Thus property could also be consider as product and the decision relating to the selection and acquisition of property for the location of a business entity can have a substantial impact on the firm’s ability to establish and maintain a competitive advantage (Porter, 2000). A suitable location can greatly enhance a company’s market competitiveness with advantage such as:

- Increase in production capacity
- Additional profit
- Business expansion
- Better service to customer
- Increase in stockholder wealth
- Cost reduction
- Decrease in manufacturing lead time (Junghthirapanich and Benjamin, 1995).

Research into the purchase decision associated with industrial land has tended to focus on the determination of the factors influencing location selection (Brush et al., 1999; Decker and Crompton, 1993; Haigh, 1990; Hughes, 1994). A study of 87 Australian SMEs undertaken by Kupke and Pearce (1998) found the two most important industrial location factors for owner-managers were being close to the central business district (CBD) and having direct access to main roads.

Junthiarapanich and Benjamin (1995) conducted an extensive review of the literature relating to the locating and manufacturing facility in the USA. Their study found a hierarchy of eight location factors which include:

- Market
- Transportation
- Labour
- Cost
- Raw materials and services
- Utilities
- Government concerns
- Community environment (Junthiarapanich and Benjamin, p. 790, 1996)

Another study (SHP, 1999), of medium to large firms, identified six factors influencing location selection. These, in order of importance were:

- Accesibility to the CBD
- Cost of land
- Freeway access
- Proximity to customer
- Attractive of area
- Nearness to suppliers (SHP, 1999)

Tong (1979) surveyed 242 foreign-owned manufacturing firms and found that the most important factors affecting their location decision were transportation services, labour attitudes, space of expansion, nearness to markets and availability of a site while the least important consideration were cost and availability of capital, nearness to home country, proximity to export markets and nearness to operations in third countries (Tong, 1979). Chemostky (1983) found that availability of desirable sites, attractiveness to incoming personnel and market access were the most important considerations. Less emphasis was placed by these firms on labour, financial incentives and access to raw materials and semi-finished goods.

Foreign investors placed more emphasis on wage differences and the availability of ports than did the local firms, while local firms were more concerned about fuel costs. On the factors, there were little differences between the two groups (Kahley 1986)

Factors influencing firm purchasing decision are also supported in a study of 319 US and foreign manufacturers in the USA. The study found the location decision of foreign companies, when compared with domestic companies was influenced significantly more by community environment, logistic and trade concerns. US firms placed more importance on financial consideration in term of taxes, capital and incentives than foreign firms did. Foreign companies view their site selection decisions as very long term commitments (more than five years) compared to US firms. They also take longer time to come into decision compare to US companies. In term of support, foreign companies seem more disposed than US firms to utilize the services of state and local economic development agencies, domestic companies were more likely to rely on consultant (Ulgado 1996)

In term for buying behavior, a research has been conducted which show that sellers who offer proven products and solution will be favored (Johnstone and Lewin 1996). Product quality and after sale service will be of the utmost importance followed by price which will be considered after product and service criteria have been fully met (Johnstone and Lewin 1996). Wide variety of information sources will be used to guide and support an important purchase decision which decision makers will rely more heavily on impersonal, commercial information sources (e.g. brochures, trade publications), during the earlier stage of decision process. Furthermore business decision maker have access to wide array of information in this digital era, they no longer rely on salespeople as the sole source of information about products (Bodmar and Cohen, 2012; Curtis and Giamanco, 2010). However as the procurement decision progress, personal, non-commercial information sources (e.g. outside consultants, other organization that have made similar purchase) may become more important (Johnstone and Lewin 1996).

An investigation towards the nature of industrial land purchase for SMEs has been conducted and face to face interview has been use with 22 respondents from firms noted for prominence in dealing with industrial and commercial property sales and land development or as potential purchasers of such land development (Tim Mazzrol and Stephen Choo, 2003). It is found that for larger firms the key factors influencing the selection decision were, in order of importance;

- Proximity to freight terminals
- Proximity to major transport routes
- Proximity to trade customers
- Intermediaries (relocation agents and property developers)

For the smaller firms, the price of land was considered more important than for the larger firms, but also of importance was the land's proximity to services for employee (e.g. banks, food service outlet). Important location factors identified were proximity to customers, bulk suppliers, key employees and the owner manager home (Tim Mazzrol and Stephen Choo, 2003).

According to Tim Mazzrol and Stephen Choo (2003) many industrial estates require one or two large "anchor" firms to establish themselves in the estate, around which a large number of small firms then cluster and usually be as supplier to the larger firms. Business parks and industrial estates that are too isolated from dormitory suburbs where the owner-manager live may be found unappealing. This was reflected in the poor performance of new industrial estate established in the northern suburbs of the city

examine by a study whereby the estate was well designed, attractively presented and has access to major freeway, highway and rail transport routes. However, small firms prove reluctant to relocate from older more congested areas due to the perception that new estate was too far for daily travel (Tim Mazzrol and Stephen Choo, 2003). Developers seeking to design or market industrial estates to SMEs may need to consider the lifestyle aspects of the estates as much as commercial aspects for example estate that is close to residential housing sought after by the manager with schools, shopping centres and other amenities may prove more attractive than remote “industrial only” estates located on the fringe area (Tim Mazzrol and Stephen Choo, 2003).

### 3.0 RESEARCH METHODOLOGY

Upon conducting the study, the researcher has utilized both primary and secondary data as the main information sources. The data were collected in order to gain and analyze the information in order to achieve and support the study objectives. In this study in depth interview session has been conducted in gathering the primary data. The interview was conducted towards marketing manager, several marketing staffs and several of local medium industry companies. Furthermore in this study the researcher obtains secondary data information which is also very important information in order to support the study through journals, articles, annual report, company website and newspaper website.

### 4.0 FINDING AND ANALYSIS

#### 4.1 Respondent

As mention earlier, interviews are used as a primary data sources. The interviewees were those who are involves in the marketing and promotion of Sedenak Industrial Park besides representatives from company which Company X had previously approached relating to the subject. Below are list of interviewee involved for this study:

**Table 1: List of Interviewee.**

	Respondent A	Respondent B	Respondent C	Respondent D	Respondent E	Respondent F
<b>Profile</b>						
Position	Company X, Marketing Dept. Senior Manager.	Company X, POIC and Biomass Project. Assistant Manager (former marketing officer)	Company X, Marketing Officer	Trade and Marketing Manager of a local spice manufacturing company.	Manager of local can pineapple manufacturer.	Business Development Manager of edible oil manufacturer company.
<b>Variable 1 (Product Attribute and Characteristic)</b>						
	The industrial park developed in a remote area. However it near to north-south highway and large amount of land available.  Investor concern over labor availability especially professional individual.	Sedenak Industrial Park still doesn't have basic power supply such as electricity and water supply.  Besides too far from city center and supporting industry.	The location is too remote.  Lack of basic facilities and infrastructure.  Too far from city center and residential area.	The area is too far from supporting industry.  The residential or housing area is quite far which will cause difficulties for employee to travel and to find proper place to stay.	The area is too remote.  Too far from city center and supporting industry.  Concern over availability of labor	Too far from port facilities and supporting industry.  The area is too remote.
<b>Variable 2 (Marketing Practice)</b>						
	Many marketing activities have been conducted by marketing department to promote Sedenak Industrial Park by using	Recently involved with exhibition in Bali.  Currently applying Halal Hub Status for the area from Halal Industry	Has conducted door to door marketing and involves in exhibition which was organize by local authority.	Aware about Sedenak Industrial Park through door to door marketing which conducted by Pn. Hazamimah and the researcher.	First time aware about the area through door to door marketing.	Aware about the Industrial area through billboard located near Skudai toll plaza and has been previously approach by Company X

	various channels.	Development Corporation (HDC)			marketing officer through door to door marketing.
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#### 4.2 Company Practice Relating To Issues

Company X has been involves in the marketing and selling of industrial land for almost 20 years with more than 30 industrial across the state of Johor has been sold. Thus it is an issue when a company with that much of experience unable to attract investor to invest in Sedenak Industrial Park after 5 years of the land development. The issue that will be highlighted in this study is factors contributing to the inability to attract investor to invest in Sedenak Industrial Park.

##### 4.2.1. Product Attribute and Characteristic

Sedenak was famously known as an agriculture town whereby most of the areas are covered with palm oil estates and other agriculture base industry such as vegetable and chicken farms. Sedenak is one of the town covers within the administration of Majlis Perbandaran Kulai in Kulaijaya District whereby it is situated within the northern region of Iskandar Malaysia.

Company X has acquired 700 acres of land to be developed into Sedenak Industrial Park which would to cater for light and medium industry namely food based, logistic, packaging, and plastic and collection center area. The industrial park was located just 3 km away from North-south highway with the closest city center is Kulai Jaya which is situated 25 km away from the area. The nearest airport is situated 30 km away which is Senai International Airport and Johor Port is the nearest port with 72 km away from the industrial park. Currently 399.63 acres of land has been developed and ready for sale whereas the rest of the lands are preserves for future development. The cost of Sedenak Industrial Park are set at RM 15-16 psf for 60 years lease and short term rent rate set RM 3000 – 5000 per month.

##### 4.2.2. Marketing and Promotion Practice

According to Company X Marketing Manager, since 2007 aggressive marketing has been conducted. Thus below are marketing strategies which has been done by Company X:

###### *Newspaper*

Newspaper has been used as marketing and promotional strategies by many companies for years. From the earliest year of the department store form, store management believed newspaper advertising to be indispensable (Koehn, 2001; Leach, 1993; Benson, 1986). This is due to the fact that newspaper is an effective and efficient way to reach mass market. According to Audit Bureau of Circulations Malaysia in the year ending June 2008, average daily newspaper circulation stood at 2.5 million copies (www.abs-cbnnews.com). Furthermore newspapers are flexible, have good local market coverage, broad acceptance and possess high believability which some of the factor that makes newspaper such an excellent strategy to market company product besides newspaper advertising reached the broadest audience, as everybody who reads at all reads newspaper (Andersen, 1925, p. 28). The physical nature of the newspaper, moreover allowed readers to study and compare the detailed information provided on available goods, including such things as size, color, styling, material as well as price range (Vicki Howard, 2010). Company X doesn't miss utilizing the method and thus they did advertise Sedenak Industrial Park in newspaper for example in New Straits Time in 2011.

###### *Corporate Books and Magazine*

Company X has utilize the opportunity to advertise Sedenak Industrial park through books and magazine advertising as it is one of the most powerful marketing tools available. Marketing through books and magazine provides many benefits mainly it enables to target specific audience. This due to the fact that magazine has lesser market coverage as compared to newspaper. Besides that it also possess other advantage such as it allow special ad positioning, credibility, long life span, high reach prospective and glossy advertisement in which it will help to grab more attention. Advertisement place on the magazine could enhance company profit. Sedenak Industrial Park advertisement has been placed in corporate books and industrial guide magazine such Malaysian Industrial Trade and Industry Directory, MITI Directory and Technology Business Review 2008.

###### *Billboard*

According to Wikipedia.org definition on billboard, it is define as a large outdoor advertising structure, typically found in high traffic areas such as highways and busy roads. Furthermore according to a book "Marketing Management an Asian Perspective 5<sup>th</sup> Edition" the author states that billboard advertisement is very popular in Asia due to the traffic congestions in Asia major cities. Besides it also used to attract consumer in rural area where newspaper and television advertising is less available. The book also states that according to Hong Kong based Clear Media, some of its billboard are seen by 70 percent of young people five to ten times a fortnight. Base on the fact it can be clearly understand that the use of billboard is effective in order to send the message about the products and create product awareness. Thus Company X also has advertised Sedenak Industrial Park which was located at the site and North –South highway which is near to Kulai Toll Plaza. The billboard has been set up since 2009 until today.

###### *Door- to- door marketing.*

Door to door can be define as a sales techniques in which a salesperson walks from the door of one house to the door of another trying to sell a product (Wikipedia.org). The sale method could be executed by making an appointment and asked for agreement from another party before the seller come to visits. Through this type of selling it would enable the company to create relationship with consumer which is very essential and according to Yavas and Babakus,2009, in an ever growing, highly

competitive, profit stifling service economy, businesses are increasingly searching for avenues to capture more customer dollar through improve clientele patronage.

*Exhibition and Trade Shows*

Furthermore Company X regularly took part in several exhibitions and trade shows. According to a websites [www.ufi.org](http://www.ufi.org), an exhibition is a human activities, human enterprises, undertaken for definite reasons and in order to achieve specified results. They are form of human exchange, whereby the exhibitors communicate with the visitors. Trade show on the other hand is a B2B event, whereby companies in a specific industry can showcase and demonstrate their new products and services. Generally trade shows are open to public and attended by companies’ representatives ([www.ufi.org](http://www.ufi.org)). Participating members of the trade shows and exhibition expect benefit including generating new sales, maintaining business contacts, introducing new products, meeting new customer, and educating customer with publication, videos and other audiovisual material. Company X actively involved and participates in many exhibitions and trade shows organize by government and related agencies as it is one of the company main marketing activities and strategies. Besides it is an excellent strategy in order to obtain new customer and improve company performance. According to a study conducted by Center for Exhibition Industry Research (CIER), 86 percent of show attendees were the decision maker or influenced buying decisions (Ravi Pappu, 2006). Example of trade show and exhibition participated by the company including World Islamic Economic Forum events at Persada Convention Center in Johor, 8<sup>th</sup> Indonesia Palm Oil Conference and 2013 Price Outlook in Bali, Malaysia Showcase 2012 and SAMCOM Singapore 2012 in Singapore and more.

*Cooperation with Government and Agencies Related.*

Company X has always worked side by side with government and agencies related in order to attract investors, create awareness and facilitate company working process. It is clear that managing the place branding or location is not solely a task for the public sector, private sector or local governing authorities, but rather a collaborative undertaking of the place’s key stakeholder (Vishwas, Ian Vandewalle, david Bamber, 2011). There are a lot of incentives provided by the government and agencies such as MIDA such as Promotion of Investment Act 1986, Income Tax Act 1967, Customs Act 1967, Sales Tax Act 1976, Excise Tax 1976 and Free Zone Act 1990 could help to attract investors to invest in Sedenak Industrial Park as firms may take advantages of changes of tax avoidance and tax evasion (Shah 1995). Furthermore by developing a rapport relationship with the agencies it would assist in promoting the company product for example Malaysian Investment Development Authority (MIDA) has always promoting and turned to Company X whenever they received any enquiries from abroad relating investment opportunities in Malaysia especially in Johor. Company X are working hand in hand with Halal Industry Development Center, in applying for halal hub status for the area which once approved, halal product manufacturer could enjoy incentives provided by the center when they operates on the area.

**4.3 Gap Analysis**

Literature	Gap	Actual
Sedenak Industrial Park located 3 km away from Sedenak toll, the area is still remote, surrounded with palm oil estates and far away from major city center. (Company X Marketing Manager).	Product Attribute and Characteristic  There is gap between actual and current practice.	An estate that is located in close proximity to the type of residential housing sought after by the owner-manager, with schools, shopping centers and other amenities, may prove more attractive than remote “industrial only” estates located on the fringes of metropolitans area (Tim Mazzarol, Stephen Choo, 2003).
Company X offer Sedenak Industrial Park for 60 years lease and rental terms only.	Product Attribute and Characteristic  There is a gap in actual and current practice.	Small firm prefer to purchase the land rather than lease as they see the land purchase as personal acquisition. (Tim Mazzarol, Stephen Choo, 2003).
Sedenak Industrial Park has been developed with lack of basic infrastructure such as electricity and water supply (Company X Former Marketing Manager)  However the company develops the area due to the fact that it is near to North-south highway which could play a major role for transportation. (Company X Marketing Manager)	Product Attribute and Characteristic  There is a gap in actual and current practice	High level of infrastructure help firm facilitates trade and investment the quality of marketing and promotional activities and many other parties as well (Wahid Fathul, 2008)
Company X mainly focus on physical marketing efforts towards promoting Sedenak Industrial Park.  Even though the company has developed their official websites, it has	Marketing and Promotions Practice  There is a gap in actual and current practice	Business decision maker have access to wide array of information in this digital era, they no longer rely on salespeople as the sole source of information about products (Bodmar and Cohen, 2012; Curtis and Giamanco, 2010)

not been updated since September 2011.		
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The table above clarifies the gap between the actual factors to market and attract consumer to Sedenak Industrial Park with the current practice conduct by Company X. Based from the table, firm would be attracted to industrial area which located near to the facilities and amenities such as bank, school and other as compared to industrial area located on the remote area (Tim Mazzarol, Stephen Choo, 2003). This is difference from Sedenak Industrial Park as the area is located on remote area surrounded with palm oil estates and far from city center. However according to Company X Marketing Manager, the fact that the area is located in the Iskandar region and positive growth of manufacturing industry has encourage Company X to develop the area in order to cater the demand for industrial land. Thus there is a gap between actual and current practice of Company X in the development of Sedenak Industrial Park.

Furthermore based on the actual originally stated by Tim Mazzarol and Stephen Choo, 2003, most small firms (local) prefer to purchase the land rather than lease as they see it as personal acquisition. This is difference from the company practice as they offer the land in two terms which are lease for 60 years period and rental only. Besides in many cases large firm will seek only to lease rather than buy the land (Tim Mazzarol and Stephen Choo, 2003).

Other than that Company X must look into the infrastructure of the area whereby the actual states that high level of infrastructure help firm facilitates trade and investment the quality of marketing and promotional activities and many other parties as well (Wahid Fathul, 2008). This can be compare to company current practice whereby according to Company X Marketing Manager, even though the area has lack of infrastructure such as electricity and water supply, ports and others facilities, the company however develops the area since it is near to the north-south highway. This is because easy access and transportation is such an important factor for manufacturer site selection (Jungthirapanich and Benjamin, 1995). Hence it is important for the company to develop an area near to the route or access, therefore Sedenak Industrial Park was developed by the company.

Last but not least in term of marketing and as a marketing agent it is a duty of the company to create awareness of the product to the consumer in an efficient and effective manner. From the actual practice business decision maker have access to wide array of information in this digital era, they no longer rely on salespeople as the sole source of information about products (Bodmar and Cohen, 2012; Curtis and Giamanco, 2010). This can be compare with company current practice which focus more on physical and real life marketing activity compares to internet marketing. This is because investors or consumer may rely heavily on impersonal, commercial information sources during the earlier stage however as the decision stage progress personal, non-commercial information sources such as consultant and organization would become more important (Johnstone and Lewin, 1996). That's the reason Company X play more emphasis on physical marketing which cause a gap to exist between the actual and current practice by the company.

## 5.0 CONCLUSION AND RECOMMENDATION

### 5.1 CONCLUSION

For the conclusion, the case study was develop as to explain the factors that cause Company X such a hard time to attract investor to invest into their new develop industrial area Sedenak Industrial Park. The finding from this study shows two main factors as the main catalyst behind the issues namely in term of the company marketing and promotion practice and the product characteristic and facilities. In this study, the two factors are important in order to attract consumer to invest into the area. Furthermore Sedenak Industrial Area was developed in order to improve Company X cash inflow.

Sedenak Industrial Park is a new industrial area developed for the purpose to boost surrounding economy of northern area of Iskandar Malaysia and to create spill-over effects through new business opportunities in supporting industries as well as to enhance socio-economy of surrounding residents. With manufacturing industry recognize as one of the National Key Economic Area (NKEA) in Malaysia, Sedenak Industrial Park was expected to be able to generate income for the company. From the study, the researcher found that manufacturing companies are attracted to an area which provides complete amenities such as residential housing, with schools, shopping center and other. Furthermore they also attracted to an area that provides good infrastructures and utilities such as electricity and water supply besides the distance with central business district, port and the accessibilities to the area play a major role in which Sedenak Industrial Area is lack with and couldn't fulfill.

Marketing and promotion activity is a must in order to create brand awareness to the consumer especially for new products. Company X has actively conducted marketing and promotional activities in promoting Sedenak Industrial Park which until today shows negative result. Thus the company need to develop new and creative idea in order to create awareness besides utilize more marketing and promotional channel which the industry has to offer.

### 5.2 RECOMMENDATION

From the findings and conclusion the researcher has develops several recommendation which the company could utilize in order to improve the attractiveness of Sedenak Industrial Park thus enable it to attract investor to invest into the area. One of the recommendations is for Company X to work together with state government and Iskandar Malaysia to develop the town of Sedenak itself. This is due to Sedenak itself is located within the Iskandar region. By developing and branding the town by improving amenities and facilities such as transportation, school, housing and brand services besides taking advantage of the town history and geography to be turned into tourism attraction, it will improve the town image thus create awareness towards

the industry area. Capability in term of revitalized brand image, which increase opportunities and higher growth prospects, and gives competitive edge to a place. This in turn is likely to attract investment from both public and private sectors, creating financial stimulus for further economic development (Vishwas Maheswari, Ian Vandewalle, David Bamber, 2011). This could be supported with the case Liverpool City Region whereby the city has been 4.4 percent increase in the VAT registered business which demonstrates substantial growth and outperforming other major competitor cities (TMP Economic Review, 2008).

Furthermore in order to improve Sedenak Industrial Park attractiveness, Company X should improve the park utilities and infrastructure such as electricity and water supply. This is due to the fact that investors see infrastructure as one of the major factor in selecting location for the company operation site and this can be supported by a study which found eight location factors including utilities that influence company site selection (Jungthirapanich and Benjamin, 1995).

Company X has conduct many marketing and promotional activities using many channels available. However, the company seems reluctant to use internet as their marketing medium. This can be seen through their official webpage whereby it is last updated on September 2011 and it is still lack of important information. Thus it is recommended for the company to utilize internet technology as one of their marketing strategy. Internet make consumer job easy, it facilitates consumer in identifying products, and compare them. The widespread phenomenon of research online and purchase offline indicates that consumer conduct their research online but purchase via traditional channel (Heil et al, 2010). Furthermore 94 percent of marketing executives responding to a 2010 survey indicates that they expect to spend more on social media over the following three years (Busby et al, 2010). This show that marketing through internet technology such as company official website, online store website and social network site possess high potential in creating awareness to consumer not only locally but oversea company as well. Therefore 60 percent of US marketers and ad agencies planned to increase their spending on social network site during 2012 for advertising purposes (Advertiser Perception 2012).

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