

## CHAPTER 3

### RESEARCH METHODOLOGY

This chapter describes the research methodology used in the study.

#### 3.1 Questionnaire

This study is essentially a descriptive study of the distribution channels of cement and steel bars in Malaysia. Primary data were obtained through a questionnaire designed for the study. The seven-page questionnaire is shown in the Appendix. It consists mainly of open-ended questions on various aspects of distribution channels.

It is difficult to gauge directly the importance of distribution channels of cement and steel bars, as compared with the other of marketing variables in the marketing mix. Therefore, manufacturers of cement and steel bars were instead asked questions on the other variables of the marketing mix. These manufacturers were asked questions on their product quality, their promotional activities, as well as brand preferences and pricing policy for their middlemen. Responses on product quality, promotional activities and pricing policy of manufacturers are then

compared. It is through the comparisons of the above three mentioned marketing variables, that the importance of the remaining marketing variable, i.e., distribution channels become clear.

Information on distribution channels of cement and steel bars, were obtained from questions on preferred areas of supply and reasons for these preferred areas. Questions also included those on the extent of government influence and control on manufacturers of cement and steel bars. Information was also obtained on the reasons for the need of distribution channels, the main functions performed by these distribution channel members, how channel members were selected and the criteria for their selection, difficulties in appointing middlemen, the number of middlemen required, and approaches adopted in motivating their middlemen.

### 3.2 Sample of the Study

The unit of analysis of the study comprises cement manufacturers and steel mills. For cement, the study covered all five cement manufacturers with integrated production facilities. The cement manufacturers are Associated Pan Malaya Cement (APMC), Tasek Cement, Perak Hanjoong Cement, Kedah Cement and Cement Industries Malaysia (CIMA).

For steel bars, the study included all the five steel mills. The steel mills are Southern Steel, Perwaja Steel, Amalgamated Steel Mill (ASM), Antara Steel and Malayawata Steel.

### 3.3 Data Collection

Preliminary surveys by the author identified that marketing managers are the decision makers involved in distribution channels decisions. The personnel interviewed were either the marketing managers or executives of cement manufacturing companies and steel mills.

Personal interview were conducted to obtain the relevant information for this study. The relevant personnel were given the questionnaire at least three days prior to the appointment of the actual interview, so as to enable the respondents to be more prepared and to be able to anticipate the information required.

The personal interviewing technique employed for the study involved a loosely structured format with mostly open-ended questions. The interview was conducted to encourage the respondents to discuss freely on the subject of this study.