# TABLE OF CONTENTS

ACKNOWLEDGEMENT i  
ABSTRACT ii  
TABLE OF CONTENTS iii  
LIST OF TABLES vi  
LIST OF FIGURES vii  

CHAPTER 1: INTRODUCTION. 1–8

1.0 Overview 1  
1.1 Objectives of the study 4  
1.2 Significance of Study 5  
1.3 Data 6  
1.4 Output Measurement 6  
1.5 Organisations of Chapters 7  

CHAPTER 2: LITERATURE REVIEW 9–25

2.1 Distributive Trades 9  
2.2 Wholesale Trades 12  
2.2.1 The Unique Roles of Wholesale Markets 15  
2.3 Retail Trades 16  
2.4 Distributive Functions in Wholesales and Retail Trades 19  
2.5 Various Other Distribution Formats 21  
2.5.1 Direct seller (A door-to-door sale and a mail order sale). 21  
2.5.2 Franchisor and Franchisee 21  
2.6 Wholesale and Retail Regulations 21  
2.7 Distributive Trades development and prospects 24
CHAPTER 3: PERFORMANCE MEASUREMENT 26–46.

3.0 Performance Measurement 26
3.1 Input Data 26
  3.1.1 Sales 27
  3.1.2 Number of Employment 27
  3.1.3 Labour Cost 27
  3.1.4 Fixed Asset 28
  3.1.5 Gross Margin 28
3.2 The key Performance Measurement on Productivity 29
  3.2.1 Labour Productivity 29
  3.2.2 Competitiveness 30
    3.2.1.1 Sales per labour cost 30
    3.2.1.2 Labour Cost per Employees 30
    3.2.1.3 Unit Labour Cost 30
  3.2.3. Capital Productivity 31
  3.2.4. Capital Intensity 31
  3.2.5. Margin per Employee 32
3.3 Productivity Trends of Distributive Trades 33
  3.3.1. Sales value per Employee 33
  3.3.2 Labour Competitiveness 35
    3.3.2.1 Sales Value per labour cost 35
    3.3.2.2 Labour Cost per Employee 37
    3.3.2.3 Unit Labour Cost 39
  3.3.3. Capital Productivity 41
  3.3.4 Capital Intensity 43
  3.3.5 Margin per Employee 44

CHAPTER 4: PRODUCTIVITY TRENDS ANALYSIS OF DISTRIBUTIVE TRADES 47–54

4.1. Labour Productivity 47
  4.1.1 Factors affecting Productivity Trends in Distributive Trades 49
4.2. Competitiveness 50
4.3. Capital Productivity and Capital Intensity 52
4.4. Efficiency 53

CHAPTER 5: ISSUES AND CHALLENGES, OPPORTUNITY AND EMERGING TRENDS IN THE WHOLESALES AND RETAIL TRADES 55-76

5.1 Challenges 55
  5.1.1 Intense competition 55
  5.1.2 Creating a Customer Focus Organisation 61
  5.1.3 Enhancement in Information Technology 63
  5.1.4 Strengthening the Labour Development 64
  5.1.5 Price Stability 66

5.2 Opportunities 67
  5.2.1 Income and Purchasing Power 68
  5.2.2 Consumer Behaviour 69
  5.2.3 Lifestyles 70
  5.2.4 E-Commerce 72

5.3 Emerging Trends 73
  5.3.1 Emerging retail players 74
  5.3.2 Further consolidation in the retail sector 74
  5.3.3 Domestic and tourism growth to buoy retail sector 75
  5.3.4 Shoppingtainment 76

CHAPTER 6 RECOMMENDATIONS AND CONCLUSION 77-84

APPENDIX 1 85

BIBLIOGRAPHY 97
LIST OF TABLES

Table 1. GDP by Industrial Origin 2
Table 2. Employment by Industrial Origin 3
Table 3. GDP by Services Sector 11
Table 4. Contribution of Services Sector in Employment 13
Table 5. Development Allocation for Distributive Trade, 1996-2005 (RM million) 25
Table 6. Growth in Sales Value per Labour Cost by Sub-Sector (1999-2004e) 36
Table 8. Growth in the Unit Labour Cost (LC/Sales) by Sub-Sector (1999-2004) 41
Table 9: Margin per Employee by Sub-Sector (1999-2004) 46
Table 10: Malaysian Distributive Market Size 48
Table 11: Employment in the Distributive Trades 49
Table 12: Major retailers in Malaysia 58
Table 13: Major players in consumer packaged goods (CPG), ranked by sales. 61
Table 14: Total retail market size 68
Table 15: Malaysian Market Opportunities 70
LIST OF FIGURES

Figure 1: Distribution functions in wholesale and retail trade 19
Figure 3.1: Sales per Employee (Labour Productivity) 33
Figure 3.1a: Sales per Employee (Growth in Percent) 34
Figure 3.1b: Average Sales per Employee Growth (99-04e) 34
Figure 3.1.c: Growth of Sales per Employee
  Wholesale and Retail Trade 1999-2004 (percent) 34
Figure 3.2: Sales per Labour Cost (Labour Competitiveness) 35
Figure 3.2a: Sales per Labour Cost (Growth in Percent) 36
Figure 3.2b: Average Sales per Labour Cost Growth (99-04e) 36
Figure 3.3: Labour Cost per Employee (Wage Rate) 37
Figure 3.3.a: Labour Cost per Employee (Growth in Percent) 38
Figure 3.3.b: Average Labour Cost per sales Growth (99-04e) 38
Figure 3.4: Labour Cost per Sales (Unit Labour Cost) 39
Figure 3.4.a: Labour Cost per Sales (Growth in Percent) 39
Figure 3.4.b: Average Labour Cost per sales Growth (99-04e) 40
Figure 3.4.c: Competitiveness Growth 1999-2004'e 40
Figure 3.5: Sales per Fixed Asset (Capital Productivity) 42
Figure 3.5.a: Sales per Fixed Asset (Growth in Percent) 42
Figure 3.5.b: Average Sales per Fixed Asset Growth (99-04e) 42
Figure 3.6: Fixed Asset per Employee (Capital Intensity) 43
Figure 3.6.a: Fixed Asset per Employee (Growth in Percent) 44
Figure 3.6.b: Fixed Asset per Employee (Growth in Percent) 44
Figure 3.7: Margin per Employee 45
Figure 3.7.a: Margin per Employee (Growth in Percent) 45
Figure 3.7.b: Average Margin per Employee Growth (99-04e) 45