

DETERMINANTS OF CONSUMER PERCEPTION OF KR1M PRODUCT QUALITY

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Abstract

This study aims to identify factors that influence the perception of consumers on Kedai Rakyat 1 Malaysia (KR1M) product (a national product of Malaysia). A survey among 200 respondents was carried out using convenient sampling at Kedai Rakyat 1 Malaysia. Data were collected using questionnaires which were distributed to respondents in order to determine the perceptions of quality toward KR1M product. Using Relating Price, Quality and Value (Zeithaml, 1988) as the theoretical foundations, this study found that external characteristics (extrinsic), physical characteristics (intrinsic), and perception of value have significant positive relationships with consumers' perception of quality towards KR1M product. Recommendations to stakeholders and operators of Kedai Rakyat 1 Malaysia (KR1M) to tap on the proposed factors in enhancing the perceptions of consumers towards KR1M products, are also put forth in this study. In addition, the empirical findings of this study fills the gap on consumers' perception towards KR1M product quality since its inception in 2011.

Keywords: Product characteristics, Perception of price, Perception of value, Perception of product quality, KR1M

Introduction

Global economic turmoil has impacted not only the state affairs of a nation but also the cost of living and spending power of its people. Realising the needs of its people and embracing the concept of generic brands, the Malaysian government has taken the initiative in introducing new lines of product and services under the brand of 1 Malaysia. In 2011, the 1Malaysia franchise was branched off into grocery store franchise, going by the name Kedai Rakyat 1Malaysia (KR1M), with the first store located at the Kelana Jaya Line Light Rail Transit (LRT) station in Kuala Lumpur. KR1M is a store using the concept of a mini market which sells a variety of basic necessities for a low price (www.kedairakyat1malaysia.com.my). The establishment of KR1M is hoped to control the rising prices of groceries, dominated by international manufacturers. This could indirectly reduce the burden of low-income people who live in urban areas.

The difference of KR1M with other retail shops is that basic necessities such as rice, oil, milk powder, diapers and many more are packed under the brand name "Kedai Rakyat 1 Malaysia". In addition, it also sells a variety of items repackaged in smaller quantities to allow

