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National Unit Trust Berhad (NUTB) Promotional Strategies for Bumiputra in Malaysia

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Abstract

The unit trust industry in Malaysia was first established by British investors in 1959 with the introduction of the Malayan Unit Trust Ltd. It is called unit trust instead of mutual fund because the ownership of the fund is divided into units of entitlement. Initially, the growth of the unit trust in Malaysia was very slow due to lack of public interest. The purpose of the study are to determine the types of NUTB's promotional strategies, to identify the level of effectiveness promotional tools used by National Unit Trust Berhad (NUTB), to describe the correlations between NUTB's promotional strategies with customer motivation to invest and to examine the effect of the promotional tools with the customer motivation to invest in NUTB's products. The findings from the study found that several strategies should be recommended to National Unit Trust Berhad (NUTB). Firstly, NUTB should increase sales promotion such as high income distribution/dividend, offer scheme death scheme aid to the investors, offer fixed and variable price as well as withdrawal or savings at any time for the investors as this can really encourage Bumiputera and non Bumiputera to invest in NUTB. Secondly, the information about PNB should be more advertise in television and newspaper since people are always see and read this two medium. The advertisement also should be more creative and attractive. Furthermore, PNB

should hire more Sales Executives and Hire Individual Agents as the strategy to boost up NUTB's sales.

Keywords: Promotional strategies, National Unit Trust, customer motivation and promotional tools)

Introduction

The unit trust industry in Malaysia was first established by British investors in 1959 with the introduction of the Malayan Unit Trust Ltd. It is called unit trust instead of mutual fund because the ownership of the fund is divided into units of entitlement. Initially, the growth of the unit trust in Malaysia was very slow due to lack of public interest. The turning point for the industry was when the Malaysian government decided to enter into the industry by launching a government sponsored unit trust known as National Unit Trust (NUT). The initial intention of launching the unit trust was to help improve the indigenous Malays' (Bumiputera's) social-economic status. Since then, the growth of the unit trusts (government and private funds) has been tremendous particularly during the period of 1991-1996, although the rapid development of the industry was slightly hindered by the 1997 Asian Financial Crisis. The rapid growth of the unit trust industry could be observed from the number of management companies from 13 in 1992 to more than 50 in 2007. Similarly, the number of funds approved has also increased for the same period. A number of factors have jointly contributed to the rapid expansion of the industry and those include strong economic and good stock market performance, expansion of the local stock market and success of the privatization companies.

Malaysia introduced the unit trust concept relatively early compared to its Asian neighbours, when, in 1959, a unit trust was first established by a company called Malayan Unit Trust Ltd. The unit trust industry in Malaysia has therefore a history of more than four (4) decades. The development of this industry can be presented in chronological order as follows:

The Development of Unit Trusts

The Formative Years: 1959 -1979

The first two decades in the history of the unit trust industry were characterized by slow growth in the sales of units and a lack of public interest in the new investment product. Only five unit trust management companies were established, with a total of 18 funds introduced over that period. The industry was regulated by several parties including the Registrar of Companies, The Public Trustee of Malaysia, Bank Negara Malaysia and the Ministry of Domestic Trade and Consumer Affairs.

The 1970s also witnessed the emergence of state government sponsored unit trusts, in response to the Federal Government's call to mobilise domestic household savings.

The Period from 1980 to 1990

This period marks the entry of government participation in the Unit Trust Industry and the formation of a Committee to regulate the unit trust industry, called the Informal Committee for Unit Trust Funds, comprising representatives from the Registrar of Companies (ROC), the Public Trustee of Malaysia, Bank Negara Malaysia (BNM) and the Capital Issues Committee (CIC).

The 1980s marked a significant development in the history of the industry when the Skim National Unit Trust (NUT) was launched by Permodalan Nasional Berhad (PNB) in 1981. Despite only 11 funds being launched during this period, the total units subscribed by the public swelled to an unprecedented level because of the overwhelming response to NUT.

The 1980s also witnessed the emergence of more unit trust management companies, which were subsidiaries of financial institutions. Their participation facilitated the marketing and distribution of unit trusts through bank's branch network which widened investor reach.

The Period from 1991 to 1999

This period witnessed the fastest growth of the unit trust industry in terms of the number of new management companies established, and funds under management. The centralization of industry regulation, with the establishment of the Securities Commission on 1 March 1993, coupled with the implementation of the Securities Commission (Unit Trust Scheme) Regulations in 1996 and extensive marketing strategies adopted by the NUT and BUT (Bumiputra Unit Trust), played key roles in making unit trusts household products in Malaysia. Consequently, the total asset value of funds under management grew more than threefold from RM15.72 billion at the end of 1992 to RM59.95 billion at the end of 1996. The period also saw greater product innovation and deregulation of the industry. Although the pace of growth of local unit trust funds has moderated since the financial crisis of 1997-1998, it has nevertheless maintained its upward trend.

The Period from 2000 to Current

In 2005, the unit trust industry experienced another year of strong growth which saw the net asset value of managed funds capitalizing 14.2% of Bursa Malaysia's market at RM98.5 billion at the end of 2005. Further, the liberalization of overseas investment rules (such as the increase in overseas investment limit from 10% to 30%) by Bank Negara Malaysia has seen unit trust management companies launching numerous offshore funds or realigning investment strategies of domestic funds to invest offshore up to the permitted limit which resulted in the launch of 10 offshore funds with an intended overseas investment exposure of more than 50%. As at the third quarter of 2006 the number of offshore funds with an intended overseas investment exposure of more than 50% is 38 which is clear evidence of the continued interest by the investing public for a better slice of the overseas market.

As at June 30, 2007, National unit trust Berhad (NUTB) is still the leading management company in Malaysia unit trust industry in terms of approved fund sizes (more than 77 billion units), total units in circulation (more than 66 billion units) and total net asset value (more than RM 84 billion). NUTB Unit Trust Funds contribute the major market share of 38.3% in terms of unit in circulation and 57.4% in terms of total net asset value. However, other management companies are slowly narrowing the gap especially Public Mutual Berhad which contribute 27.7% in terms of units in circulation and 15.0% in terms of total net asset value.

Even though National unit trust stills the leading the market, the actual fact is the major competitors are trying to narrowing the gap and finally grab the leading company. As Public Mutual Berhad now had been awarded as the number one unit trust company in Malaysia based on the variable price products. Generally, National unit trust Berhad (NUTB) can be a market leader is because of the fixed price products where the other management companies do not offer at all. This make National unit trust Berhad different from other management companies since it has the fixed price products as well as variable price which this fixed price products or funds are more trustable compared to variable price products. NUTB is responsible to manage ten types of investment schemes which is Bumiputra Unit Trust (BUT), National unit trust (NUT), National unit trust (NUT 2), National unit trust 3 and Vision 2020 Unit Trust.

An Overview of Permodalan Nasional Berhad (PNB)

In an effort to realize Yayasan Pelaburan Bumiputera (YPB), they have established Permodalan Nasional Berhad (PNB) or the National Equity Corporation on 17 March 1978. The main function of Permodalan Nasional Berhad is to evaluate, select and acquire a sound portfolio of shares in limited companies with good potential to be held in trust for subsequent sale to the Bumiputeras. The manifestation of this commitment was clearly spelt out in the Statement of Commitments of Permodalan Nasional Berhad. PNB has an authorized and paid up capital of RM200 million and RM 100 million, of RM 1.00 a share each, respectively. The main headquarters is located at Jalan Tun

Razak, Kuala Lumpur near Tabung Haji building. PNB is the parent company for National unit trust Berhad (NUTB) which operates a number of unit trust schemes.

An Overview of National unit trust Berhad (NUTB)

On 22 May 1979, National unit trust Berhad (NUTB) was subsequently established as a wholly-owned subsidiary of Permodalan Nasional Berhad. The primary objective of NUTB is to mobilize the savings of the individual Bumiputras through the marketing and selling of the proposed national unit trust to the Bumiputra individuals. In addition National Unit Trust Berhad is also responsible for educating the Bumiputras on the benefits of investing in the proposed unit trust to be launched by the government.

An Overview of National unit trust Berhad (NUTB) Malacca Branch

NUTB Malacca branch was established in 1992. The branch previously was located at Wisma Negeri, Jalan Hang Tuah before moving to the current location in Pejabat NUTB, Jalan Semabok, Malacca. Currently, the branch comprises of seven employees, a manager, two executives and four clerks. NUTB Malacca is not a full branch which means they did not accept cash transaction of deposit and withdrawal of unit trusts investment. They only handle cheques deposit and such cases like investor book is missing, renewal investor's account book, certificates, claiming for khairat kematian, transfer unit of schemes and withdrawal of deceased unit trusts fund by family members.

This project paper attempts to study on the "NUTB's Promotional Strategies and Its Relationship with Customer Motivation". Based on Table 1, National unit trust Berhad (NUTB) is the leading management company in Malaysia unit trust industry in terms of approved fund sizes (more than 77 billion units), total units in circulation (more than 66 billion units) and total net asset value (more than RM 84 billion). NUTB Unit Trust Funds contribute the major market share of 38.3% in terms of unit in circulation and 57.4% in terms of total net asset value. However, other management companies are slowly narrowing the gap especially Public Mutual Berhad which contribute 27.7% in terms of units in circulation and 15.0% in terms of total net asset value.

Even though National unit trust stills the leading the market, the actual fact is the major competitors are narrowing the gap and trying to grab the lead. Currently, Public Mutual Berhad had been awarded as the number one unit trust company in Malaysia based on the variable price products, where else National unit trust Berhad (NUTB) offers both variable and fixed price products but NUTB is a market leader in fixed price products. This makes National unit trust Berhad different from other management companies and its funds are more trustable by Malaysian at large as compared to management companies by providing variable price products only. Nevertheless despite of a good response by all, the response quota of Bumiputera for certain product such Vision 2020 Unit Trust is still low. In fact, this product has larger quotas for Bumiputera 51% still remained unsold as compared to quota allocated for non-Bumiputera which was sold in just thirty minutes.

Table 1.1: Top Management Companies in June 2007

	Management Company	No of Funds	Total AFS		Total UIC		Total NAV	
			Million Units	Market Share (%)	Million Units	Market Share (%)	Million Units	Market Share (%)
1	National unit trust Bhd	10	77,927	20.4	66,786.52	38.3	84,359.28	57.4
2	Public Mutual Berhad	45	99,000	25.9	48,299.25	27.7	22,064.54	15.0
3	AM Investment Services Bhd	34	20,800	5.4	8,938.61	5.1	8,736.86	5.9
4	Prudential Unit Trust Bhd	28	19,200	5.0	6,575.26	3.8	3,989.30	2.7
5	Hwang-DBS Unit Trust Bhd	23	12,420	3.3	6,472.03	3.7	4,987.10	3.4
6	OSK-UOB Unit Trust Mgmt Bhd	27	13,530	3.5	4,543.88	2.6	2,972.89	2.0
7	HLG Unit Trust Bhd	22	21,400	5.6	4,146.76	2.4	1,927.64	1.3
8	CIMB Wealth Advisor Bhd	30	18,750	4.9	4,171.30	2.4	3,251.77	2.2
9	CIMB Principal Asset Mgmt Bhd	29	16,570	4.3	3,309.18	1.9	2,447.79	1.7
10	Amanah Mutual Bhd *	19	11,300	3.0	2,912.74	1.7	1,734.23	1.2

*Note: Amanah Mutual Bhd formerly known as Mayban Unit Trust Bhd

Source: Lipper Hindsight: FMUTM

Based on the above scenario, there is need to identify the most effective promotional strategies to increase sales of its products in NUTB so that NUTB can become a leader for the unit trust company in Malaysia. In order to find the suitable promotion strategies, National unit trust Berhad actually can benchmark against the major competitors.

According to Tan Sri Hamad Kama Piah Che Othman, the Director of PNB “the purpose of promotion is to increase the sales for the product, such as for PNB variable price ‘NUT2, NUT3, ASG’” (Utusan Malaysia, 24 March 2005) Therefore, with proper promotional strategy, it will help to attract and develop an investor’s intention to invest in NUTB Malacca. Currently there are several promotional strategies being used to create customer motivation to invest in their products such as personal selling, advertising through printed media and electronics, financial planning seminars, sales promotion as well as every year highlighted event, Malaysia week of Unit Trust that done at the various states and the great news, Malacca is selected as the host state for Malaysia week of Unit Trust for this year in April 2008.

Moreover, given the strong interest by the Malaysian government in this area as evidenced by active promotion and offering of National Unit Trust to the public, questions remain whether promoting unit trust in Malaysian unit trust industry is widely promote or not. Mutual fund advertisements are not providing the information necessary for optimal investment decisions. Mutual funds use techniques known to increase the likelihood that their advertisements are noticed, but they also use techniques known to decrease the readership of their advertisements. Also, they rarely included convenience information (Bruce A. et.al., 2005). Therefore, in this study we can see the effectiveness levels for each of the promotional strategies done by PNB in order to motivate the people to invest in PNB products.

The findings of this research will identify the actual strategy that can be used to help National unit trust Berhad Malacca to increase customer motivation as well as number of investors in Malacca. Besides it will give some ideas to develop promotional strategy for the company and give some benefit to the Permodalan Nasional Berhad.

Materials And Methods

Marketing research is the systematic and objective identification, collection, analysis, dissemination and use of information for the purpose of improving decisions making related to the identification and solution of the problem. Marketing research is defined as the systematic and objective process of generating information to aid in marketing decisions:

The following topics will look at the various areas of research methodology undertaken for this study. The topics include the choice of area under study, the source of data, sampling techniques and methods of data analysis. This study focuses on the NUTB's promotional strategies and its relationship with customer motivation.

Sampling is actually a technique to identify group of cases, participants, events or records constituting a portion of the target population, carefully selected to represent that population. According to Roscoe (1975) in Uma Sekaran (2003) they stated that propose the following rules of thumbs for determining the sample size: Sample sizes larger than 30 and less than 500 are appropriate for most research..Questionnaire refers to a survey instrument and is a structured technique for collecting data which consist of a series of questions, written or verbal, to which a respondents replies. Questionnaire had been constructed and distributed randomly to respondents within specified area. Willing respondents were asked to complete as soon as the questionnaire were given. The advantage of using time limitations is that researcher can be able to get fast and quick responds.

These questionnaires were designed in English and Malay. The purpose of designed the questions by using two languages is to facilitate the customers to understand the questions better. In this study, close ended questionnaire been used to collect data from population. Close ended question is to obtain some information related to customer opinion or suggestion towards the study.

Findings And Discussion

Respondents Profile

This section will analyze and interpret all the data collected from the survey using the questionnaire. 90 questionnaires were distributed around the area of Malacca and only 70 respondents were valid. All the data were analyzed by using the Statistical Package for Social Science program (SPSS). All the finding from the SPSS will be used in the interpretation of a conclusion for the overall research that had been undertaken. The results of this study are divide into the summary statistics pertinent to reliability test on target variables, demographic background, frequency distribution on demographic background, awareness of promotional strategies and perceived effectiveness of ASNB promotional tools which done by frequency, percentage and rank.

Profile

A total of 90 respondents are randomly picked at the Amanah Saham Nasional Berhad (ASNB) Counter Service at Jalan Semabok, Malacca to answer questionnaires. Table 4.2.1 until Table 4.2.6 shows the respondents' profile includes the ethnic group, gender, age interval, occupation, monthly income and level of education.

Table 1.2: Frequency and Percentage by Ethnic Group

Ethnic Group	Frequency	Percent
Malay	50	71.4
Indian	7	10.0
Chinese	11	15.7
Others	2	2.9
Total	70	100.0

According to Table 1.2, majority of the respondents are Malay with 50 respondents (71.4%), Chinese with 11 respondents (15.7%) and Indian (10%) with 2 respondents and followed by other race (Portuguese) which cover only 2 respondents (2.9%).

Table 1.3: Frequency and Percentage by Gender

Gender	Frequency	Percent
Male	29	41.4
Female	41	58.6
Total	70	100.0

Table 1.3 shows the frequency and percentage by gender where the majority of respondents are female with 58.6% which consist of 41 respondents where male is only 41.4% with 29 respondents.

Table 1.4: Frequency and Percentage by Age

Age Interval	Frequency	Percent
<20 years old	9	12.9
20-29 years old	16	22.9
30-39 years old	20	28.6
40-49 years old	14	20.0
>50 years old	11	15.7
Total	70	100.0

While Table 1.4 shows that the percentage for age distributions for the 9 respondents are below than 20 years old (12.9%), 16 respondents (22.9%) who are age between 20 and 29 years old, 20 respondents (28.6%) range age between 30 to 39 years old followed by 14 respondents (20%) with range age between 40 to 49 years old. It shows that most of respondents are between these ages. Furthermore, there are 11 respondents (15.7%) who are age more than 50 years old.

Table 1.5: Frequency and Percentage by Occupation

Occupation	Frequency	Percent
Government sector	13	18.6
Private sector	8	11.4
Business	14	20.0
Pensioner	5	7.1
Teacher / Lecturer	8	11.4
Student	16	22.9
Others	6	8.6
Total	70	100.0

Table 1.5 shows the frequency and percentage by occupation of the respondents which are categorized into seven different occupations. It is where 22.9% is student which covers 16 respondents. While 14 of the respondents (20%) are involved in business, followed by 13 respondents who work as government servant, 8 respondents who work in private sector worker as well as teacher or lecturer, 5 respondents are pensioners and only 5 respondents where they had indicate for other occupation in the questionnaires such as mechanic, clerk, and factory worker.

Table 1.6: Frequency and Percentage by Monthly Income

Monthly Income	Frequency	Percent
<RM 1000	27	38.6
RM 1001-RM 2000	16	22.9
RM 2001-RM 3000	11	15.7
RM 3001-RM 4000	5	7.1
RM 4001-RM 5000	3	4.3
>RM 5000	8	11.4
Total	70	100.0

Table 1.6 shows the frequency and percentage by income level of respondents which are categorized into six different income levels. It is where 6% of the respondents' income is range below than RM 1000 which covers 27 of respondents. There are 16 respondents (22.9%) have a monthly income between RM 1001 and RM2000, 11 respondents (15.7%) have an income range between RM 2001 to RM 3000, 5 respondents (7.1%) have an income level between RM 3001 to RM 4000, 8 respondents (11.4%) have an income range more than RM 5000 while only 3 respondents (4.3%) have an income range between RM 4001 and RM 5000.

Respondents' knowledge about NUTB's products and promotional strategies

Table 1.7 shows the respondents' knowledge about NUTB's products. All respondents which are 90 respondents knew about NUTB's products and do invest in NUTB's products. At present, NUTB offered ten products. They are Bumiputra Unit Trust (BUT), Wawasan Unit Trust 2020 (WUT 2020), Malaysia Unit Trust (MUT), Didik Unit Trust (DUT), National Unit Trust(NUT), National Unit Trust2 (NUT 2), National Unit Trust3 (NUT 3), Gemilang Unit Trust –Health (GUT – Health), Gemilang Unit Trust-Retirement (GUT – Retirement) and Gemilang Unit Trust – Education (GUT – Education).

As we can see, majority of the respondents choose to invest in BUT compared to other products where 52 respondents (74.3%) choose to invest in that product. Both MUT and NUT products (32.9%) choose by 23 of the respondents respectively for their investment products and followed by 21 of the respondents with the percentage of 30% choose to invest in WUT 2020.

While there are 7 and 6 of the respondents choose to invest in DUT and NUT 3 as well as only 5 respondents choose to invest in other 3 products which is NUT 2, GUT – Health and GUT – Retirement. Finally, only 3 of respondents (4.3%) choose to invest in GUT- - Education. This can be concluded that the top five choice of the NUTB products is BUT, MUT, NUT, WUT 2020 and DUT while the other four products is not preferred by the investors.

Table 1.7: Respondents Choice of Investment in NUTB Products by Frequency and Percentage

NUTB Products	Yes (f)	No (f)	n	Yes %	No %	Total %	Means
BUT	52	18	70	74.3	25.7	100%	.74
WUT 2020	21	49	70	30.0	70.0	100%	.30
MUT	23	47	70	32.9	67.1	100%	.33
DUT	7	63	70	10.0	90.0	100%	.10
NUT	23	47	70	32.9	67.1	100%	.33
NUT 2	5	65	70	7.1	92.9	100%	.07
NUT 3	6	64	70	8.6	91.4	100%	.09
GUT – Education	3	67	70	4.3	95.7	100%	.04
GUT – Health	5	65	70	7.1	92.9	100%	.07
GUT – Retirement	5	65	70	7.1	92.9	100%	.07

Table 1.8 shows the frequency and percentage of NUTB products that customers choose to invest. Majority of the respondents choose to invest in one of NUTB products only with the percentage of 51.4% (36 respondents). But there are also respondents choose to invest in more than one product in NUTB. 15 respondents have invested in two out of ten NUTB products, followed by 6 respondents choose to invest in 3 and 4 NUTB products respectively while the others choose to invest in more than four NUTB products.

Table 1.8: Number of Investment in NUTB Products by Frequency and Percentage

NUTB Products choose by respondents	Frequency	Percentage
One Product	36	51.4
Two Products	15	21.4
Three Products	6	8.6
Four Products	6	8.6
Five Products	2	2.9
Six Products	3	4.3
Seven Products	2	2.9
Total	70	100.0

Table 1.9 shows the frequency, mean, standard deviation and rank of respondents' heard about NUTB products. There are ten products offered by NUTB in order to give option to their investors and the products are categorized by two types which is fixed and variable price. The fixed price included Bumiputra Unit Trust (BUT), Wawasan Unit Trust 2020 (WUT 2020), Malaysia Unit Trust (MUT) and Didik Unit Trust (DUT).

While for variable price, there are six products that customers can choose which is National Unit Trust (NUT), National Unit Trust² (NUT 2), National Unit Trust³ Imbang (NUT 3), Gemilang Unit Trust (GUT) – Education, Gemilang Unit Trust (GUT) – Health and Gemilang Unit Trust (GUT) – Retirement.

BUT is rank at the first as NUTB's products that respondents mostly heard with the mean of 3.23. Followed by WUT 2020 (2.73) at the second rank, MUT is rank at the third for NUTB products that heard by respondents with the mean of 2.46. At the fourth rank, respondents also heard an NUTB product which is NUT 2 with the average score of 2.04. At the fifth rank, respondents heard about NUT 3 with the average score of 2.01. On the sixth rank, respondents are heard about DUT with the mean of 2.00.

For the seventh rank, with the mean of 1.64 shows those respondents are heard about NUT. Next at the eighth rank, with the mean of 1.57 shows those respondents heard about GUT – Education. Followed by ninth rank, respondents are heard about GUT – Health with the mean of 1.51. Finally, at the tenth rank with the mean of 1.50, respondents are less heard about GUT – Retirement.

As a conclusion, the data shows that they are agree that they are heard about NUTB's product especially BUT, WUT 2020, MUT and NUT 2 but they are less heard about Gemilang Unit Trust (GUT) especially Health, Education and Retirement

Table 1.9: Frequency, Mean, Standard Deviation and Rank for Respondents' Heard About NUTB Products

NUTB Products	Scale					Mean	Std. Dev.	n	Rank
	0	1	2	3	4				
BUT	0	2	13	22	33	3.23	.854	70	1
WUT 2020	3	9	12	26	20	2.73	1.141	70	2
MUT	5	14	14	18	19	2.46	1.282	70	3
DUT	4	21	22	17	6	2.00	1.063	70	6
NUT	2	10	14	29	15	1.64	1.064	70	7
NUT 2	6	19	18	20	7	2.04	1.148	70	4
NUT 3	7	20	16	19	8	2.01	1.198	70	5
GUT – Education	10	31	13	11	5	1.57	1.137	70	8
GUT – Health	11	31	15	7	6	1.51	1.139	70	9
GUT – Retirement	13	31	10	10	6	1.50	1.201	70	10

Note: 0-Not Applicable; 1-Seldom; 2-Moderate; 3-Often; 5-Most Often

Respondents' Exposed to Promotional Strategies

Table 1.10 shows the frequency, mean, standard deviation and rank of promotional strategies used by NUTB to promote their products as perceived by respondents. There are fourteen promotional strategies used by NUTB to promote their products such as from pamphlets, newspaper, magazines, television, radio, internet, personal selling, exhibition, seminar, Malaysia week of Unit Trust (MSAM), and four of the sales promotion (death scheme aid, dividend/bonus, fixed and variable price and withdrawal/ savings at any time). Majority of respondents exposed to the sales promotion (as stated above) done by NUTB to promote their products. Next at the fifth rank, customers are exposed towards promotion done through newspapers/magazines with the average score of 3.56.

At the sixth rank, customers are also exposed on the advertisement done through bunting/banner/pamphlets with the average score of 3.49. At the seventh rank, customers are exposed toward MSAM with the mean of 3.47. On the eighth rank, customers are exposed toward promotion done through exhibition with the mean of 3.16. For the ninth rank, with the mean of 3.24 shows those customers are exposed towards promotion done through seminar.

Furthermore, at the tenth rank with the average score of 3.01 shows that the customers are exposed towards promotion done by television. Followed by eleventh rank, customers are exposed of the existing of sales person or the personal selling offer by NUTB. Next at the twelfth rank, with the mean of 2.67 shows the customers are aware of promotion done through radio. Finally, at the thirteenth rank with the mean of 2.64,

Table 1.10: Frequency, Mean, Standard Deviation and Rank for Respondents' Exposed to Promotional Strategies

Promotional Strategies	Scale					Mean	Std. Dev.	n	Rank
	0	1	2	3	4				
Bunting/Banner/ Pamphlets	0	13	21	25	11	3.49	.974	70	6
Newspapers/ Magazines	1	9	20	30	10	3.56	.942	70	5
Television	4	17	28	16	5	3.01	1.000	70	10
Radio	11	21	21	14	3	2.67	1.100	70	12
Internet	11	20	26	9	4	2.64	1.077	70	13
Personal Selling	0	27	31	11	1	2.80	.754	70	11
Exhibition	0	8	44	17	1	3.16	.629	70	8
Seminar	0	13	30	24	3	3.24	.806	70	9
MSAM	0	14	20	25	11	3.47	.989	70	7
Direct Marketing	70	0	0	0	0	1.00	.000	70	14
Death Scheme death	1	3	13	28	25	4.04	.924	70	1
Dividend/Bonus	0	6	17	31	16	3.81	.889	70	3
Fixed and Variable Price Products	0	6	19	28	17	3.80	.910	70	4
Withdrawal/Savings at any time	2	6	15	25	22	3.84	1.058	70	2

Note: 0-Not Applicable; 1-Seldom; 2-Moderate; 3-Often; 5-Most Often

customers are less exposed about the promotion done through internet because most of them do not get the information from internet.

But for direct marketing, all of the respondents answered it is as never exposed to that promotional strategy which means that NUTB did not apply this strategy to motivate the people to invest in their products.

Perceived Level of Effectiveness towards Promotion Done

Table 1.11 shows the perceived level of effectiveness towards promotion done through different promotional activities. Results shows that, majority of respondents perceived that sales promotion is very effective promotional activity with ranking at the first place. This mean, sales promotion is the most effective promotional tools done by NUTB. The sales promotion done by NUTB to motivate the people to invest in NUTB products included death scheme aid, dividend/bonus, fixed and variable price as well as withdrawal/ or savings at any time. Next at the second rank, promotions done through personal selling are very effective with the average score of 3.79.

At the third rank, the advertising done through printed media (such as pamphlets, banner, bunting, newspaper and magazines) and also through electronic media (such as television, radio and internet via website) are very effective with the average score of 3.59. At the fourth rank public relations done by NUTB which is through Malaysia week of Unit Trust (MSAM), seminar and exhibitions are very effective with the mean of 3.51.

As a conclusion, the most effective promotional tool is through sales promotion done by NUTB in order to motivate the people to invest in NUTB. 30 of respondents are agreed that the promotion done through such tool is very effective while only one of them said that sales promotion is not effective.

Table 1.11: Perceived Level of Effectiveness towards Promotion Done Through Different Promotional Activities by Frequency and Percentage

Promotional Strategies	Scale					Mean	Std. Dev.	n	Rank
	1	2	3	4	5				
Advertising	1	5	28	24	12	3.59	.909	70	3
Personal Selling	0	4	23	27	16	3.79	.866	70	2
Sales Promotion	0	1	17	30	22	4.04	.788	70	1
Public Relations	2	3	26	35	4	3.51	.794	70	4

Note: 1-Strongly disagree; 2-Disagree; 3-Moderate; 4-Agree; 5-Strongly agree

Correlations between Promotional Strategies and Customer Motivation

The Rules of thumb about the strength of correlation coefficient is if the r-value is $\pm .81$ to 1.00 (very strong), $\pm .61$ to .80 (strong), $\pm .41$ to .60 (moderate) and $\pm .21$ to .40 (weak)^[5]. Based on Table 1.12, by using the Pearson Correlation, the correlation coefficient between advertising and customer motivation is $r = 0.374$. Therefore, there is a positive but weak relationship between advertising and customer motivation.

Next, the correlation coefficient between sales promotion and customer motivation is $r = 0.598$. Therefore, there is a positive and high relationship between sales promotion and customer motivation.

The correlation coefficient between personal selling and customer motivation is $r = 0.31$. Therefore, there is a positive but low relationship between personal selling and customer motivation.

While the correlation coefficient between public relations and customer motivation is $r = 0.130$. Therefore, there is a positive but low relationship between publicity and customer motivation.

Table 1.12: Correlations between Promotional Strategies and Customer Motivation

Variables		Customer Motivation
Advertising	Pearson Correlation	.374**
	Sig. (2-tailed)	.001
Sales Promotion	Pearson Correlation	.598**
	Sig. (2-tailed)	.000
Personal Selling	Pearson Correlation	.031
	Sig. (2-tailed)	.802
Public Relations	Pearson Correlation	.130
	Sig. (2-tailed)	.284

Note: ** Correlation is significant at the 0.05 level (2-tailed).

Based on Table 1.12, by using the Pearson Correlation, the correlation coefficient between customer motivation and advertising is $r = 0.374$. Therefore, there is a positive but weak relationship between customer motivation and advertising. Since $p = 0.001$ is less than $\alpha = 0.05$, research hypothesis H_{A1} is failed to reject. Thus, there is a significant correlation between customer motivation and advertising at 0.05 level of significance.

Based on Table 1.12, by using the Pearson Correlation, the correlation coefficient between customer motivation and sales promotion is $r = 0.598$. Therefore, there is a positive and high relationship between customer motivation and sales promotion. Since $p = 0.000$ is less than $\alpha = 0.05$, research hypothesis, H_{A2} is failed to reject. Thus, there is a significant correlation between customer motivation and sales promotion at 0.05 level of significance.

Based on Table 1.12, by using the Pearson Correlation, the correlation coefficient between customer motivation and personal selling is $r = 0.031$. Therefore, there is a positive but low relationship between customer motivation and personal selling. Since $p = 0.284$ is more than $\alpha = 0.05$,

null hypothesis, H_{03} is failed to reject. Thus, there is no significant correlation between customer motivation and personal selling at 0.05 level of significance.

Based on Table 1.12, by using the Pearson Correlation, the correlation coefficient between customer motivation and public relations is $r = 0.130$. Therefore, there is a positive but low relationship between customer motivation and public relations. Since $p = 0.284$ is more than $\alpha = 0.05$, null hypothesis, H_{04} is failed to reject. Thus, there is no significant correlation between customer motivation and public relations at 0.05 level of significance.

Regression Analysis on Effect of Promotional Strategies with Customer Motivation to Invest in NUTB

Table 1.13 shows the regression of advertising and sales promotion towards customer motivation to invest in NUTB's products. Both independent variables are significant where the effectiveness of sales promotion is highly significant with $P < 0.00$ while the beta value is 0.603 which mean there is positive effect between promotion done through sales promotion towards customer motivation to invest. It explains the more sales promotion done by NUTB to promote their products such as death scheme aid, dividend/bonus, withdrawal/savings at any time as well as fixed and variables price products, the more motivation for customers to invest in NUTB products thus can increase sales of NUTB.

While effectiveness of advertising is poor significant effect with $P > 0.877$ while the beta value is 0.017 which mean there is no effect between promotion done through advertising by NUTB towards customer motivation to invest in their products. It means when NUTB used advertising through printed and electronic media (such as: pamphlets, bunting, billboards, television and radio) as well as internet (via website), the less motivation for customers to invest in NUTB.

As a conclusion, the findings explains that among four tools used by NUTB which is sales promotion, advertising, personal selling and public relations to promote their products, only sales promotion has high significant effect towards customer motivation to invest.

Table 1.13: Regression of Advertising and Sales Promotion towards Customer Motivation

Variables	B	Significant	N
Constant	1.708*	.004	70
Advertising	.017	.877	70
Sales Promotion	.603*	.000	70

Note: a Dependent Variable: Customer Motivation * Significant at $P < 0.05$; ^{n.s} not Significant at $P > 0.05$

After the hypothesis being tested, (see Table 1.13) it is found that the value of beta is at 0.017 with the significant value of 0.877. Since the significant value is $P > 0.05$, H_{A5} will be rejected. This means that the customer motivation to invest is significantly not influenced by the effectiveness of advertising.

After the hypothesis being tested, (see Table 1.13) it is found that the value of beta is at 0.603 with the significant value of 0.000. Since the significant value is $P < 0.05$, H_{A6} failed to rejected. This means that the customer motivation to invest is significantly influenced by the effectiveness of sales promotion.

Discussion

From the result, the following can be concluded. The beta value for the variables of effectiveness of advertising, personal selling and public relations are perverse. Thus there are inverse significantly relationships between the customer motivation to invest with the effectiveness of advertising. The

effectiveness of advertisement through printed and electronic media as well as internet also does not support the customer motivation to invest in NUTB products^[6]. This may due to the advertisement publish were not attractive enough to encourage them to invest. From previous study, advertising see as the best promotional medium in order to persuade consumer. This situation occurs may due to several reasons such as, the respondents who are busy does not have time to watch television and radio, the printed media did not gave sufficient enough information about the products and many other reasons.

Moreover, the more promotions done through personal selling is the less the customer motivation to invest in NUTB products. This mean the promotion done through personal selling are not effective enough to motivate investors to invest in NUTB products^[7]. These situations happened due to inexperienced sales person or the sales person did not really persuade the customers to invest in NUTB. This is contradicting with the previous findings and further research may need in order to know deeper about the fact.

The promotion done by public relations such as through seminar, exhibitions and Malaysia week of Unit Trust (MSAM) also not motivate the customer to invest in NUTB products^[8]. From the Beta value, this promotion tool has negative relationship with the motivation to invest. The more NUTB put effort on the effectiveness of public relations; the less it can motivate customers to invest in NUTB products. Nevertheless, NUTB can motivate customers or investors to invest in NUTB products through sales promotion since it has the positive significantly relationship with the customer motivation to invest in NUTB's products. It means the more effective of scheme death scheme aid, offer fixed and variable price, high income distribution/bonus and offer withdrawal/savings at any time as promotional tool, the more in can motivate the customers to invest in NUTB's products^[9].

The model that can be adapted from the research is:

$$Y = 1.078 + 0.603 S.P$$

Whereby; Y = Customer Motivation; Constant = 1.078; S.P= Sales Promotion

Conclusion

The analysis from this study shows that they are often heard about NUTB's products as well as the promotion done by National Unit Trust Berhad. Most of the respondents invest in one out of ten products of NUTB. But there are also respondents who invest in more than one product. While in terms of promotional strategies used by NUTB, the most effective is through sales promotion such as Death Scheme Aid, income distribution/dividend, fixed and variables price products and withdrawal/savings at any time followed by advertising via printed and electronic media as well as through internet.

Since respondents are invest in NUTB's products and they are agreed that most of the promotional strategies implement by NUTB's are effective therefore they are motivated to invest in NUTB's product because of the promotional done. Even though not all the strategies used by the company are effective but overall we can see that the promotional done is effective to motivate the investors.

Recommendation

From the analyses done and the findings, several recommendation strategies can be suggested. The strategies are designed for the future research and for further development and improvement for Permodalan Nasional Berhad generally and National Unit Trust Berhad specifically.

More Sales Promotion

Sales promotion can be seen as the most promotional strategies that have high effect towards customer motivation to invest. Thus, NUTB should increase their promotion through this method because investors are more attracted to the promotion especially in term of income distribution/dividend and the uniqueness of the products itself. As we know, NUTB is the only unit trust company in the world that offered fixed price products and the lowest investment which start from RM 10 only. In addition, the dividend should be increase year by year and this can be seen as great news to the investors since NUTB is the established company in Malaysia and the dividend is high compared to the competitors.

Moreover, the withdrawal/savings at any time and anywhere at more than 200,000 agents (RHB, Maybank, CIMB and Pos Malaysia) all over Malaysia and NUTB can grab this opportunity by providing e-banking for their investors since they can do the transaction at night by deposit the money at the ATM machine.

More advertisement through newspaper

Newspapers are among the best promotional strategy in order to attract intentions from investors. From that fact, NUTB should build up more public relation by sharing news or information through newspapers. NUTB should advertise their products frequently in newspaper therefore people can get to know about their products. There are more than 80,000 newspapers' readers all over Malaysia for one brand of newspaper. There are several famous newspapers' brand among Malaysian, therefore NUTB can used same messages for different brand of newspapers. Newspapers can grab broader target audience since people read newspaper everyday.

Extensive television advertisement

Since the advertisement through television is less attractive to motivate investors in invest in NUTB, NUTB have to put an effort to increase the level of effectiveness of their television advertisement. NUTB should focus on how to attract customers to buy NUTB's products. NUTB have to create advertisement that can really motivate people to invest in their products. This strategy has to go inline with the creativity of people who creating the advertisement as well as the target market for the products. For example, for ASG product PNB had a sales promotion by giving extra unit if investors buy certain units of the product. PNB should advertise this kind of promotion in television therefore people are aware instead of using brochures where not all people will get the brochures.

Malaysian Week of Unit Trust (MWUT)

As stated in previous section, **MWUT** is one of the promotion through publicity which also can motivate customers to invest in National Unit Trust Berhad. But, NUTB should put more effort on this strategy since it can attract more investors to buy NUTB's products. NUTB should continue the MSAM program which has been doing every year. Furthermore, **MWUT** also one of the medium that can makes people gain knowledge about NUTB's products. At present, NUTB only had the MSAM once a year, since it can encourage more investors to invest PNB should plan to have at least twice a year. The area cover can be broader. For example, year 2007 NUTB had the MSAM at Pahang Darul Makmur which covers areas such as Pahang, Perak, Kelantan, Terengganu and Kelantan.

Hire more sales executives

National Unit Trust Berhad should see sales executives as their assets since investors see them as effective strategy in persuading them to invest in NUTB. If possible, the study suggests that NUTB should employ more sales executives; therefore they can bring more investors to NUTB. Besides that, NUTB have to give training to their sales executives as well as give them motivation to excel.

Hire individual agents

From researcher observation, majority of management companies of unit trust are using individual agents in order to promote and sell the companies' products. In NUTB, there are no individual agents being employed. The function of individual agents is the same with sales executives where they have to persuade people to invest in NUTB products. The different is sales executives only get the salary where as individual agents earn income from commission. The actual fact is people tend to find more customers if they get more. Therefore, NUTB has to appoint individual agents in order to boost up NUTB sales.

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