

## **Customer Satisfaction with the Goods and Services Offered By MYDIN**

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### **ABSTRACT**

Customer Satisfaction can be described as the fulfilment that customers obtain from doing business with a firm. In simpler terms, it's how pleasant the customers transaction and overall experience with the company was. Customers obtain satisfaction when their needs are met on consuming a product or a service effortlessly, which being more convenient makes them loyal to the firm. Hence, customer loyalty can be easily gained through satisfaction of customers. In our investigation, we focus on the customer satisfaction with the goods and services offered by MYDIN at Bukit Jambul Complex, Bayan Lepas, Pulau Pinang. We have referred to marketing mix such as product, place, promotion and price to measure customer satisfaction. To obtain information and data on customer satisfaction, we conducted a survey to MYDIN and interviewed some of its customers and employees. The result of the study indicate that the methods used are very effective in measuring customer satisfaction.

Keywords: Customer satisfaction, business, MYDIN, Penang, products, services

### **INTRODUCTION**

In the U.S., during 1930s the concept of supermarkets originated as self-serviced low-priced retail stores. Hence, a large store which sells food and household goods with self-service as its major characteristics came to be known as supermarket. The products which are sold include dairy products, bakery, grocery products, and meat, and sometimes non-food items as well which includes home care products, personal care products, footwear, apparels, and sometimes wine stores and nutritional supplements as well.

In 1918, MYDIN was founded by Gulam Husen Jamal an immigrant from India, father of Mydin Mohamed in Penang. They started their first hawker business in 1940. However, as a result of World War II the shop was burnt down and everything was lost by the family. But with his strong determination, faith and perseverance he made his child, Mydin Mohamed, to continue with the trade of wholesaling.

In 1957, a small wooden shop named Syarikat Mydin Mohamed in Jalan Tok Hakim, Kota Bharu, Kelantan his first shop was opened which sold toys and general merchandise. The business spread its operations to Kuala Terengganu in 1979 and later made their presences in Klang Valley at Jalan Masjid India in 1989, with the support of his immediate sons.

Now, MYDIN is known as one of the largest supermarkets in Malaysia. MYDIN specialises in in retailing and wholesaling. The products range from food line, soft-lines, hard-lines items and household. Hard-line products include hardware, stationery, electrical, toys and porcelain while soft-line comprises of fabrics and textiles products.

Food line includes confectionery, drinks and beverages, delicatessen and dairy products. In their early years of operations, MYDIN's focus had always been in the non-food sector until the first supermarket in Selayang in 1997 was started. MYDIN business is operated based on 'Halal' concepts and stress is laid on honesty, sincerity and good discipline in all aspects of its business.

Based on the capacity of goods traded, each branch has its own business category. The category comprises of hypermarket, supermarket, emporium, convenience shop, franchise store, bazaar, premium store and restaurant. MYDIN operates 74 outlets nationwide including premium store named SAM'S Groceria.

MYDIN's vision is to be the world's leading distributor of competitive "Halal" goods and services. Mission is to be the leading wholesale and retail company by providing the best value, wide assortment of goods and continuous excellence based on their business formula.

## **2. Background**

Our research focuses on satisfaction of customer with the goods and services offered by MYDIN at the Bukit Jambul Complex, Bayan Lepas, Pulau Pinang. Customer Satisfaction can be described as the fulfilment that customers obtain from doing business with a firm. In simpler terms, it's how pleasant the customers transaction and overall experience with the company was. Customers obtain satisfaction when their needs are met on consuming a product or a service effortlessly, which being more convenient makes them loyal to the firm. Therefore, customer satisfaction is an important step towards gaining customer loyalty. To measure customer satisfaction, we refer to marketing mix such as products, places, promotions and prices.

### **Product**

Product is goods or services that organization or company offers in the market. Product are something that can be offered to the customers for attainment, consideration, consumption and that which satisfies someone's need. Products may often fail due to mis-match of the product offered with the customers' needs, inconsistency branding and design problems. Retailers could offer unique and exclusive attributes of products that differentiates their product from their competitors, since the product is the core of the marketing mix plan. Quality and design of product are the elements of product which are acceptable to customers. Product also can help to rise organizational growth and profit, few product strategies can be adopted by an organization for product expansion, market advances, market dissemination, and diversification.

MYDIN has a wide range of product line ranging from food line, soft line, hard-line to household items. MYDIN benefits from larger customer base due to its wide range of products. This gives positive advantage to MYDIN as its customers can obtain all such products at lower and cheaper prices. As a local player, MYDIN provide items that complement with its customers need. Majority of Malaysians are Muslims, hence, local prayer mats, prayer garments for women and traditional product which are rarely found elsewhere are available at MYDIN stores.

### **Place**

How a company will allocate the product or service, which they present to the consumer is described as place strategy. Place can be counted as supply channels, warehousing facilities, methods of transportation and inventory control management. Location may affect the success or failure for a retail enterprise since a good location is associated with costs, competitors and target market hence it act as an instrument through which goods and services are transported from the service provider and manufacturer to

customers. The allocation of place requires effective spreading of the firm's products among the networks of marketing for instance wholesalers or retailers.

### **Promotion**

Promotion include activities that communicate about the overall product which include mediums like advertising, sales promotion, personal selling, direct marketing, events and involvement and public relations. Promotion is essential part of business and is a fundamental element of the total business process. Promotion aids to make prospective customers reactive to the many choices offered concerning products and services. The benefit of such product and service should be clearly communicated to the target market for such product to be successful.

### **Price**

Price is the vital factor in influencing customers' satisfaction. It can be described as the amount of money paid for the benefits of having or using the product or service. The most vital dimension of customer repurchase intentions is price. Findings from the study made supports that rather than other attributes, price is the important basis for customer when deciding to buy certain products. Therefore, company should carefully plan their price because if the price is too high buyers will avoid the product, as they will believe it to be too expensive. While the customers may assume that there is something wrong with the product if the price offered to be low or cheap. Price also acts as a significant element in marketing mix structure because organization may not make enough profit because of the low price offered. Hence, a reasonable price is to be offered to customers so that they will buy the product and the profit of the organization may increase.

### **Market Opportunity Analysis**

#### **Customers**

Customers are passionate about the quality of their work and their relationships with their customers. In this case, the customer is a very important person that MYDIN's supermarket needs to take care of. Because of this, MYDIN's supermarket always provides good quality to attract and meet customers' needs for shopping at MYDIN's supermarket.

#### **Competitors**

Firstly, MYDIN could introduce its own brand which is a profitable opportunity for it. Secondly, it can enter the online market by using technology. On the contrary, the economic condition in Malaysia is quite stable but the currency of Malaysia is high which makes it hard for MYDIN to make international business.

#### **Company**

The strengths of MYDIN firstly is that it provides wide range of halal products. Secondly, the powerful slogan of MYDIN which is "Why pay more? Buy at wholesale prices" it has a great impact on the business of the company. On the contrary, the weakness of MYDIN firstly is the quality level of the product which it offers. Secondly, the miscommunication caused by the foreign workers employed in the stores.

#### **Political Environment**

Firstly, MYDIN's operation, financial conditions and prospects are subject to the political and legal developments of Malaysia including, the regulations related to pricing, consumer protection, product quality, food safety and public safety. These conditions could not be easily predicted with their impact on the business in the future.

Secondly, the hypermarket industry is regulated and controlled by the Ministry of Domestic Trade, Cooperatives and Consumerism ("MDTCC"). There is no assurance that the MDTCC or the Government would not impose regulations and restrictions on MYDIN or the enforcement of regulation on foreign hypermarkets would not affect the competitive edge of MYDIN.

### **Economic Environment**

Consumer spending patterns in Malaysia are influenced by the state of Malaysia's economy, which in turn affects MYDIN's sales volume, profitability, turnover, and growth. Generally, consumers tend to increase their expenditures when the Malaysian economy is experiencing strong growth and when they have more disposable income available for personal consumption. Conversely, a recession in the Malaysian economy or uncertainties regarding future economic prospects may result in a reduction in consumer spending. As a result, the state of the economy in Malaysia has a significant impact on MYDIN's future performance, results of operations and profitability.

In addition, the impact of inflation on different categories of products, such as food products, on the Malaysian economy may affect consumer spending patterns and materially and adversely affect MYDIN's business, financial condition and results of operations. A slowdown or downturn in the global and local economy may also materially and adversely affect the economic growth of Malaysia, thereby affecting MYDIN's business, financial condition and results of operations and future prospects.

### **Social**

Population size of Malaysia is 32 million people. It inhibits foreign firms from entering Malaysian market. The population size is relatively small which leads to limited market potential. For the lifestyle, the ways they socialize are very traditional i.e. it has indirect style of communication, formal and respectful. Malay is national language of Malaysia while English is widely used as business language. An official religion in Malaysia is Islam so they adapt a lot of Islamic way.

### **Technology**

Technological advances have had a lot of positive and negative effects especially in business matters. If MYDIN had previously collaborated with Boost Company to offer cashless payments as the technology progressed, MYDIN might have introduced its own e-Wallet application. This e-Wallet offer will certainly make it easier for frequent customers to shop around the store. In the near future, MYDIN will be offering e-Wallet to the public.

## **RESEARCH METHOD**

The research is done to help the researcher have a clear picture of the independent variable's relationship with the dependent variable. Figure 1 shows the proposed study model. As illustrated in Figure 1, independent variable has 4 dimensions which included the quality of product, diversity of product, price of product, and market location (though, MYDIN is easy to find) while dependent variable is customer satisfaction.

Service and product quality:

- Quality of product
- Diversity of product
- Price of product
- Market Located

Customer satisfaction

### 3.1 Sample and data collection

In this research, the convenience sampling is used in distributing the questionnaire. Convenience sampling means each entity (person, element or object) selected to study is based on the convenience of the researcher. Questionnaire is formed using Google form and distributed through the internet using social media platform such as Whatsapp. As the form is created using Google form, the questions are 100% answered completely by the respondent.

Quota Sampling is 100, but the field data collection and online survey instrument distribution was broadly done in a manner so as to take care for fair distribution of gender ratio, age bracket, employment status including students and home makers category. Aspects like qualification, marital status, and income level also had been focussed while approaching the target sample respondent.

### 3.2 Research Instrument

The questionnaire is structured in this research into three parts to achieve the study goal. Section A includes the respondent's demographic data, including gender, age, marital status, income level, and number of monthly transactions at MYDIN. This aims to help assess the gender difference whether the consumer will be satisfied or not.

Section B of the questionnaire asks the respondent about the level of perception to 4 dimensions of the product by MYDIN. These four dimensions included quality of product, diversity of product, price of product and MYDIN's location. Each dimension consists of 3 questions. This section plays an important part in answering objective 1.

Finally, Section C contained questions that questioned the happiness of the respondents about the product being sold at MYDIN. This part was used to assess the most important factor of customer satisfaction.

## RESULTS AND DISCUSSION

Based on a survey conducted on 100 customers who purchased at MYDIN, the data that we obtained was recorded and analyzed in the table.

### 4.1. Demographic

Demographic	Category	Frequency	Percentage (%)
Gender	Male	37	37%
	Female	63	63%
Age (year old)	15-20	7	7%
	21-30	28	28%
	31-40	44	44%
	41-50	15	15%
	51 and above	6	6%
Marital Status	Single	22	22%



	Married	78	78%
Income Level (RM)	Below 1000	10	10%
	1001-3000	45	45%
	3001-5000	24	24%
	5001 and above	21	21%
Purchasing at MYDIN in a month (Times)	1-3	25	25%
	4-6	49	49%
	7-9	14	14%
	>10	12	12%

Table 1

Table 1 shows the summary of demographic analysis of 100 respondents consisting of customers who purchased in MYDIN. Demographic analysis is important for us to identify the background of customers who purchased in MYDIN. The differences in background such as gender, age, marital status and income level can influence customer satisfaction of goods and services provided by MYDIN.

#### 4.2. What type of product that you usually buy in MYDIN?

Answer	Frequency	Percentage (%)
Food	42	42%
Clothes	15	15%
Healthcare	29	29%
Electronics	10	10%
Toys	4	4%

Table 2

Table 2 shows the type of product that respondent usually buy in MYDIN. The most type of product that customer usually buy in MYDIN is food that stated 42% while the lowest type of product that customer buy is toys with 4%. Clothes, healthcare and electronics accounted for 15%, 29% and 10% respectively.

#### 4.3. The quality of product in MYDIN

Answer	Frequency	Percentage (%)
Good	56	56%
Average	34	34%
Bad	10	10%

Table 3

Table 3 shows the product quality in MYDIN based on customer response in our survey. Most customers with 56% responses say that MYDIN have the good quality of product. Only 10% of customers say that the product quality in MYDIN is bad. 34% of customers say that the quality product in MYDIN is in the average level.

#### 4.4. Easy to find MYDIN?

Answer	Frequency	Percentage (%)
Yes	84	84%
No	16	16%

Table 4

Table 4 shows that 84% of customers say that is easy to find MYDIN while only 16% customers say that is not easy to find MYDIN. This shows that MYDIN is strategically located and makes it easy for most customers to go there.

#### 4.5. Price of product

Answer	Frequency	Percentage (%)
Cheap	77	77%
Affordable	13	13%
Expensive	10	10%

Table 5

Table 5 shows the customers opinion about the price of product that offered by MYDIN. Most customers or 77% of customers say that the price of product in MYDIN is cheap while only 10% of customers say that MYDIN have the expensive price of product and 13% state that the price of product is affordable. Most customers who say the price of goods in MYDIN is cheap provides a high degree of satisfaction.

#### 4.6. What is the most exciting service offered to you at MYDIN?

Answer	Frequency	Percentage (%)
Parking lot	34	34%
Cashier	19	19%
Trolley	27	27%
Elevator	20	20%

Table 6

Table 6 shows the most exciting service offered to customers in MYDIN. Most customers with 34% agree that parking lot is the most exciting service that MYDIN offered. This is because most customers use vehicles to go to MYDIN so that they can easily carry their purchased items. The lowest percentage is 19% in cashier services but it did not differ significantly from other services. Both the trolley and elevator services accounted for 27% and 20%, respectively. All the services available in MYDIN will affect customer satisfaction.

#### 4.7. Level of satisfaction

Answer	Frequency	Percentage (%)
Satisfied	63	63%
Average	32	32%
Not satisfied	5	5%

Table 7

Table 7 shows the level of satisfaction of the customers with the goods and services offered by MYDIN. Most of the customers with 63% responses are satisfied with the goods and services offered by MYDIN. Only 5% of the customers are not satisfied and 32% of customers are in average level of satisfaction.

## **CONCLUSIONS**

### 5.1 Discussion

As per Schiffman (2000), Customer usually has the opinion of the quality of product or service on the basis of a variety of informational cues that they associate them. Therefore, when customers want to buy their item, they will check whether the quality of product or the price of product before they proceed.

Based on the overall survey result, it has been found out that almost all the customers are satisfied with MYDIN. Therefore, MYDIN does not need to bother about the gender factor in measuring customer satisfaction because according to Tolpa, E (2012), there is no significance difference found between male and female consumers.

## 5.2 Future Recommendation

The questionnaire that were distributed in this research is not enough to show the reliable and consistency of the data. Besides, the research was carried out in a particular place and it is not enough to generalise the views of all the customers of MYDIN. Therefore, the suggestion is that for future research all MYDIN branch in Malaysia should be considered and not just a particular one like this research.

Besides, it is also recommended to increase number of questionnaires distributed and not just 100 copies as to get more reliable and consistent result. Apart from these, other factors such as promotion, price and product to identify different perspective of factor that will lead to customer satisfaction can be used. The research can also be carried out to study the dominance factor – quality of product.

Last but not least, if the future researcher can compare the service quality and customer satisfaction in this industry to get a more clearly picture on it. Hence, MYDIN can know how to compete with others company in order to maximize profit in this globalized world because MYDIN currently operate only in Malaysia.

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## APPENDICES

### 1.0 QUESTIONNAIRE

#### 1. Gender

Male

Female


#### 2. Age

15 - 20

21 - 30

31 - 40

41 - 50

50 and above


#### 3. Marital Status

Single

Married


#### 4. Income Level

Below RM1000

RM1001 – RM3000

RM3001 – RM5000

RM5001 and Above

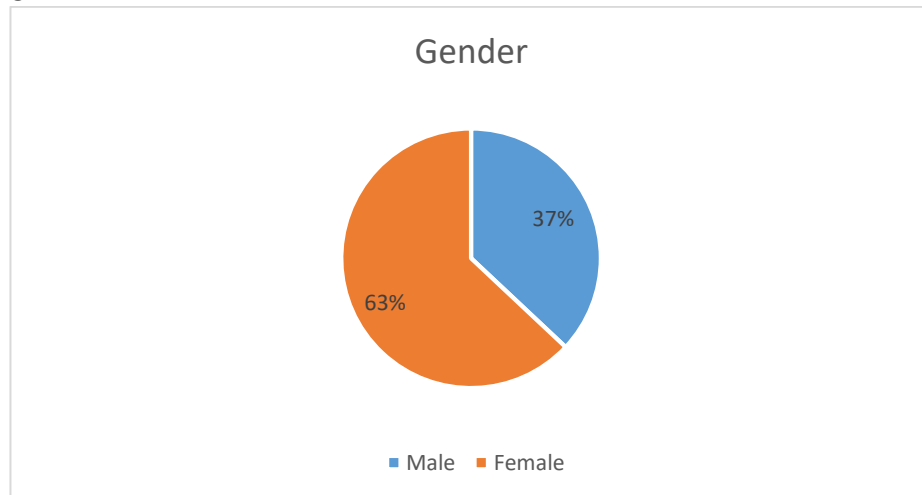

#### 5. How often you come to Mydin? (Times)

1 – 3

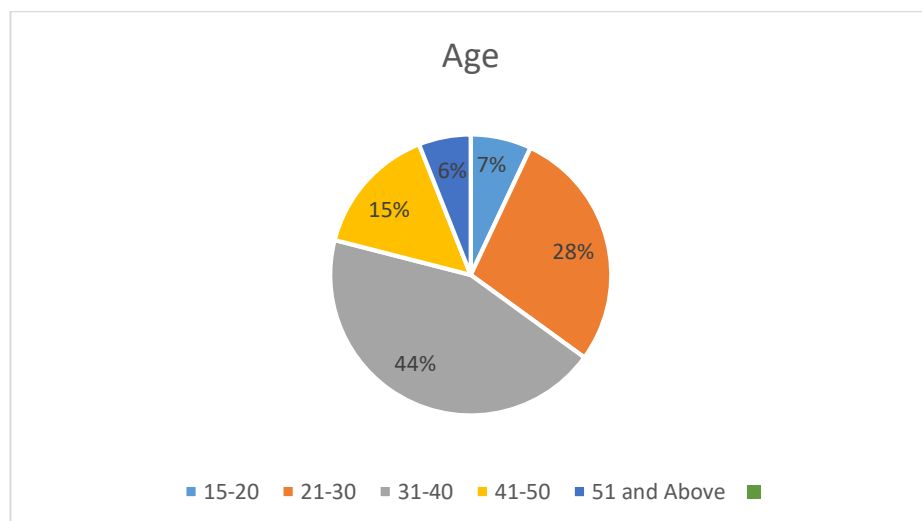
4 – 6


7 – 9	
10 and Above	
6. What type of product that you usually buy	
Food	
Cloths	
Toys	
Healthcare	
Electronic	
7. Quality of product	
Good	
Average	
Bad	
8. Price of product	
Cheap	
Affordable	
Expensive	
9. It is easy to find Mydin	
Yes	
No	
10. Satisfaction Level	
Satisfied	
Average	
Not Satisfied	

## 2.0 PIE CHART

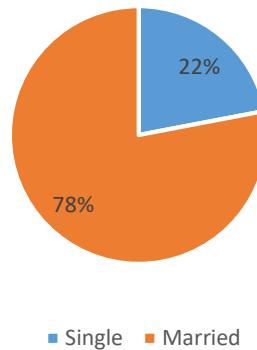


The pie chart above shows the percentages of gender that go to MYDIN. The Percentage of female that go to MYDIN is 63% which is 63 people while the percentage of male is 37% equal to 37 people. We can see that there are more female that went to MYDIN than male to shopping.



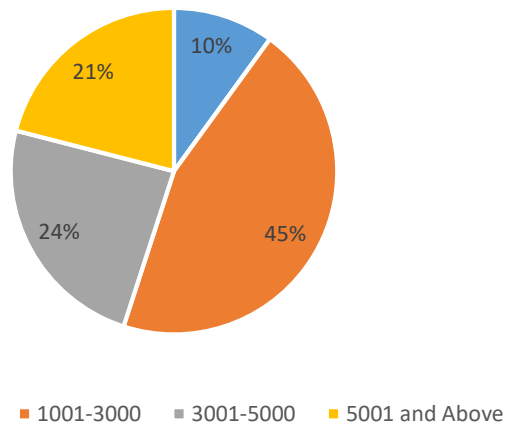
This pie chart shows the age group of people that go to MYDIN. The highest age group that go to MYDIN is 31-40 years old which is 44% while the second highest is 28% for group of age 21-30 years old. The third highest go to the group of age of 41-50 years old. Next fourth highest go to the group of 15-20 years old. The age of 51 and above goes last.

Martial Status



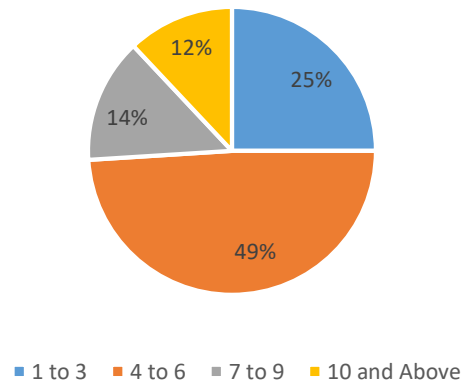
Based on the pie chart above, people that go to MYDIN consist of married and single people. The percentage of married people is 78% while the percentage of single people is 22%. We can see that the married people often go to MYDIN to buy necessity need.

Income Level (RM)



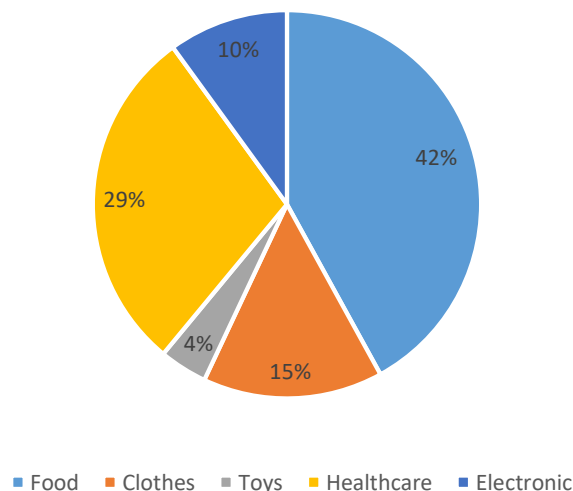
These pie chart show the general income of people that go to MYDIN. The percentage of income level below RM1000 is 10%. The highest percentage of income level of RM10001-RM3000 is 45%. The percentage of income level of RM3001-RM5000 is 24% while the lowest percentage of income level of RM5000 and above is 21. We can see that all group of people with different income level can go to MYDIN.

How Often You Go To MYDIN In A Month  
(Times)



The pie chart above shows the percentage of people that go to MYDIN in a month. The highest percentage of people go to MYDIN is 49% (4-6 times) while the lowest percentage is 12% (10 and above). We can say that people go to MYDIN to fulfil their need.

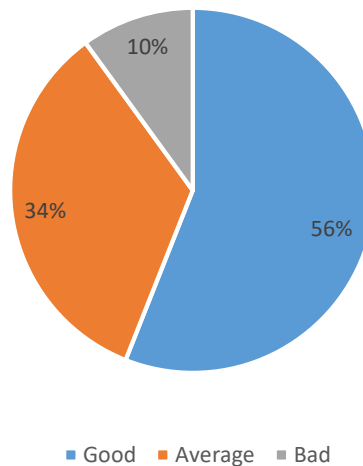
What Type of Product that You Usually Buy



This pie chart shows the type of product that people look for at MYDIN. There are 5 type of products that people often look for which is food (42%), clothes (15%), toys (4%), healthcare (29%) and electronic (10%). We can say that people mostly go to MYDIN for grocery.

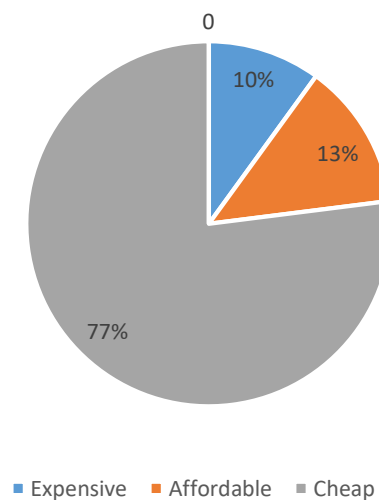


The Quality of Product



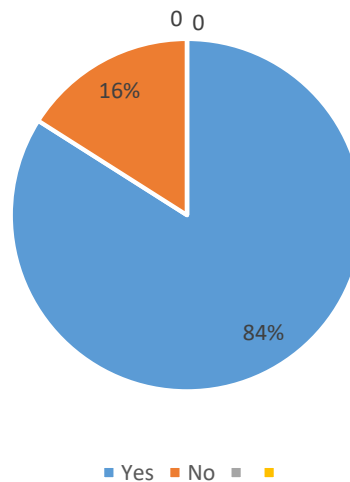
The pie chart above shows the quality of product at MYDIN. Based on the survey, people go for shopping in MYDIN say that the quality of product are good. We can see that in the overall result in the survey, the percentage of quality of product as per voted by the customer is Good (56%), Average (34%) and Bad (10%).

Price of Product



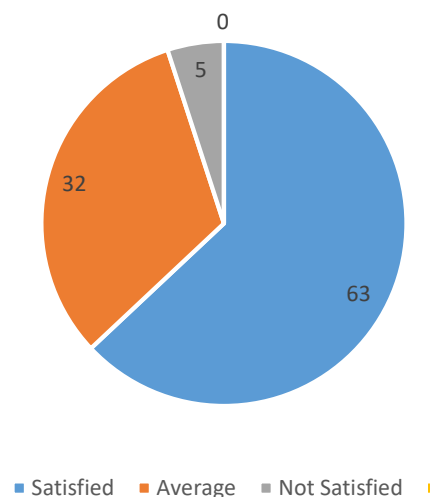
The pie chart above shows the price of product. Most customer says that the goods that are sold in the MYDIN are cheap and affordable in price. So we can conclude that this also is a reason why people wish to go to MYDIN for shopping.

It's Easy to Find MYDIN



From the pie chart above, we can say that people can easily find MYDIN because MYDIN is located in the strategic places. People from the city and outside the city can go to MYDIN easily.

Satisfaction Level



The pie chart above show the percentage of satisfaction level of people that go to MYDIN. Most people have satisfaction with MYDIN is 63% while not satisfied are 5% and the rest with 32% have average satisfaction level.