

# **CUSTOMER SATISFACTION ON MAYANG TEA**



**DIANA INOI NINGKAN**  
**2003602930**

**BACHELOR OF BUSINESS ADMINISTRATION**  
**WITH HONOURS (MARKETING)**  
**FACULTY OF BUSINESS MANAGEMENT**  
**UNIVERSITI TEKNOLOGI MARA**

**APRIL 2008**

# TABLE OF CONTENTS (I)

<b>CHAPTERS</b>	<b>DESCRIPTION</b>	<b>Page</b>
	Declaration Of Original Work	ii
	Letter Of Submission	iii
	Acknowledgement	iv
	Table Of Contents	v-vii
	List Of Tables	viii-ix
	List Of Figures	x-xi
	List Of Abbreviation	xii
	Definition Of Terms	xiii-xiv
	Abstract	xv-xvi
1	INTRODUCTION	1
1.1	Background Of Study	2-4
1.2	Scope Of Study	5
1.3	Statement Of The Problem	6
1.4	Objectives Of The Study	7
1.5	Significance Of The Study	8
1.6	Theoretical Framework Hypothesis	9
1.7	Limitations	10
2	LITERATURE REVIEW	11
2.1	Customer Satisfaction	12-16
2.2	Customer Loyalty	17-19
2.3	Willingness To Pay	20-21
3	RESEARCH METHODOLOGY AND DESIGN	22
3.1	The Data Collection	22-23
3.1.1	Primary Data	23-24
3.1.2	Secondary Data	24
3.1.3	Measurement Of Independent Variables	24
3.2	Survey Instrument	25-26
3.3	Sampling Techniques (Non Probability)	26-27
3.3.1	Convenience Sampling	27
3.3.2	Judgmental Sampling	28
3.4	Sampling Size/Population	28-30
3.5	Procedure For Analysis Of Data	30-32

## ABSTRACT

**Purpose:** The purpose of this study on **CUSTOMER SATISFACTION ON MAYANG TEA** is to determine the level of Customer Satisfaction with regards to Sarawak's only local tea which is grown in the Serian Region of Kampong Mayang and Kampong Engkeroh and its effects on customer loyalty and the customers' willingness to pay for the product. This study could prove invaluable to Mayang Tea Sdn Bhd as it could benefit from the information obtained through this research and develop their product accordingly.

**Design/Methodology:** Presents the results of survey via questionnaire, conducted on 200 respondents within Kuching area, from diversified backgrounds. The three variables, Customer Satisfaction, Customer Loyalty and Willingness To Pay were investigated by using SPSS Version 14.0 (frequency distribution, reliability tests, compare means, One-way ANOVA and Correlations).

**Findings:** Majority of the respondents indicate that Mayang Tea is quite well-known, as they can be found in certain retail stores in Kuching, but this could be largely due to the fact that the researcher gave most of the questionnaires to staffs of SALCRA. Promotions and advertisements are lacking, which could definitely elevate the image of Mayang Tea and make it more competitive in the marketplace. The price, place and service dimensions garner much indifference among the respondents. Respondents are also indifferent about loyalty as they also consume other brands such as BOH and Lipton, but they are willing to recommend others to purchase Mayang Tea and that they will say positive things about the product. Respondents indicate that they are willing to purchase Mayang Tea at its present price but might not if the price increases.

## CHAPTER 1: INTRODUCTION

Customer satisfaction plays a major role in today's fast business and changing marketing environment, and advertising and promotion are key factors to overcome the many challenges faced by marketers.

Satisfaction, according to Kotler (1997) is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. Companies that achieve high customer satisfaction ratings make sure that their target market knows it. In the 1990s, Unisys, the information management company introduced the term "customize" in its ads and defined it as follows: "*to make a company more responsive to its customers and better able to attract new ones*".

Customer satisfaction is so vital for a company like Mayang Tea Sdn Bhd which produces Sarawak's tea, as it faced numerous major competitors (for example BOH Tea and Lipton Tea) who have been in the marketplace much longer than Mayang Tea's 26 years and whose brand are much well-known, which leads to many loyal customers who are more willing to pay for these brands than to a much less known product.

Customer loyalty is usually the result of customer satisfaction to the products, and this can be obtained by selecting the right media vehicle and engaging them, winning the hearts and minds of customers and retaining their loyalty and their willingness to pay.

## CHAPTER 2: LITERATURE REVIEW

This research is focused on Sarawak's local tea, Mayang Tea, a very high quality pure and natural tea with no additives, flavouring or colouring. It is planted at an altitude of around 800 feet above mean sea level and is considered a lowland tea at Kampung Mayang & Kampung Engkeroh, Tebekang, Serian, Sarawak.

Similarly to this study, *Bennett & Rundle-Thiele (2004)* stated three key issues emerged from the literature regarding the relationship between satisfaction and loyalty: (1) satisfaction and loyalty are related construct; (2) there are moderating factors for the relationship; and (3) the methodology influences the outcome of the research.

*Oliver (1999)* stated that as customers progress through the phases of loyalty development, the sustainers and vulnerability elements change to reflect the degree of involvement. The theory is that once a customer has found a product or service that he or she enjoys (meeting with expectations of costs, quality and benefits), and continues to use, he or she becomes less concerned with seeking alternatives and does not respond to advertising or competitive threats.

*Sanzo, del Rio, Iglesias & Vazquez (2003)*, conducted an empirical study, carried out for traditional agro-food product, understanding as such those foods that have been elaborated from traditional raw materials using traditional production and/or transformation methods. Their interest in collecting information about a product of this type is due to the fact that individuals know them since childhood, and they are therefore linked to attitudes (positive or negative), which are deeply ingrained in consumers. The study of customer satisfaction constitutes an especially interesting issue in the field of marketing.