PERCEIVED SATISFACTION WITH
SWEETENED CONDENSED MILK
IN MALAYSIA
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ABSTRACT

Purpose: This research examined factors that would influence customer satisfaction of premium-priced Brand X sweetened condensed milk among teh-tarik restaurant operators in Peninsular Malaysia.

Approach: Past literature suggested that factors such as perceived quality, logistic process responsiveness, sales force effectiveness, brand association and trade promotion would significantly influence customer satisfaction in purchasing a consumer product. This research attempted to affirm that these factors do indeed influence customer satisfaction in the context of Brand X, which is a premium brand sweetened condensed milk. A personally-administered questionnaire survey was done to collect data from 80 respondents and which were then statistically analyzed using reliability, correlation and regression analyses.

Findings: Results from the statistical analyses indicated that all the five examined factors are positively correlated with the satisfaction level of Brand X. Furthermore, the factors explained 63.3% of the variance in the respondents’ satisfaction with Brand X.

Practical implication: The results will benefit those companies producing premium sweetened condensed milk and how they can use them to align prices to product positioning. The factors affecting the satisfaction of teh-tarik restaurant operators can form part of the message used by the manufacturer-marketer to produce effective marketing communications.

Limitation: One limitation of this research is that only teh-tarik restaurants that use Brand X were surveyed. More findings may be obtained if teh-tarik restaurants that use other premium brands of condensed milk were included in the research.

Originality: There is no known previous research on branding of sweetened condensed milk in Malaysia.

Keywords: Brand, Restaurants, Milk, Satisfaction, Quality, Business-to-Business, Malaysia

Research Paper.
1.0 Introduction

Drinking *teh-tarik* in Malaysia is very much a cultural activity. *Teh-tarik* or “pulled tea” is a milk tea beverage that is made boiling hot. The hot tea is then cooled by pouring from one mug to another mug. The mugs are held at arm’s length about three feet apart. This will create a drink that appears to be a light brown beverage with fine foam at the top. Condensed milk incurs a significant cost when preparing this beverage.

*Teh-tarik* restaurants produce a high number of this ‘teh-tarik’ beverage compared to households. Purchasers at these restaurants select condensed milk — a commodity — and this particular Brand X is a popular premium-priced brand. This research examined the reasons why purchasers in these restaurants purchase Brand X condensed milk.

1.1 Condensed Milk in Teh-tarik Restaurants

This sweetened condensed milk is mainly used by Malaysians for the purpose of preparing ‘teh-tarik’ or ‘Pulled Tea’. This beverage can be prepared in homes and restaurants. However, a significant volume of condensed milk is used in *teh-tarik* restaurants whereby it is used to primarily serve customers in the said restaurants. Even though sweetened condensed milk can be used to prepare other beverages, it is the major ingredient in preparing *teh-tarik* at these restaurants.

It is important for companies producing sweetened condensed milk to understand the purchase behavior of the restaurant operators. By doing so, the companies can understand where to focus when promoting the product in restaurants. Hence, market knowledge on *teh-tarik* restaurants is crucial for the companies to make important decisions such as budgeting and other resource allocation issues in the drive to maximize profits.

There are many brands of sweetened condensed milk that are sold in Peninsular Malaysia such as Teapot, F&N, Marigold and Dairy Champ. These brands can be classified into two categories: premium brands and value-for-money brands.

Malaysians from all walks of life insist that savouring a glass of ‘teh-tarik’ remains just about one of the most satisfying ways to kick off any day (Raghunath, 2008). Restaurants play a crucial role in expanding condensed milk consumption because these locations produce a higher volume of the ‘teh-tarik’ beverage compared to households. For a company that produces sweetened condensed milk, market knowledge on the restaurants (also known as food service channels) is very important to stimulate bulk purchase behaviour. With such developments in the market, the companies that produce sweetened condensed milk in Malaysia such as F&N Dairies, Etiqa Dairies and Marigold should expect to see a vast opportunity to generate high profits.

Sweetened condensed milk sold in Peninsular Malaysia packed in carton boxes and cans for both the take-home and business segments. The main distribution channels for the product are retailers (e.g. minimarkets, supermarkets) and distributors (who sell the product direct to the business users).
Brand X is a premium brand of sweetened condensed milk produced in Malaysia. The actual identity of Brand X is kept confidential for competitive reasons. Suffice to say, it is priced at least RM 0.50 higher than value brands.

*Teh-tarik* restaurant operators will experience a significant increase in their operational costs by using Brand X as compared to using value brands. However, there are restaurant operators who prefer Brand X in spite of the premium price. This brings up the need to know the underlying ‘buying behavior’ factors that compelled restaurant operators to choose Brand X. Thus, this research of “the factors influencing customer satisfaction of Brand X among *teh-tarik* restaurant operators in Peninsular Malaysia” has relevance for the condensed milk industry in Malaysia.

## 2.0 PRIOR LITERATURE

Satisfaction 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 expectation (Kotler and Keller, 2006). A key driver of long-term relationships – important in a business-to-business context – between suppliers and customers – studies have shown the positive correlations between customer satisfaction and customer loyalty (Johnson *et al.*, 2001; Lam *et al.*, 2004) and customer satisfaction and customer profitability (Zeithaml, 2000; Helgesen, 2006).

Therefore, when examining the drivers of customer satisfaction in a B2B environment, we draw upon Helgesen (2007) who had listed 11 different attributes which can be grouped under perceived quality, logistic process responsiveness, trade promotion and sales force effectiveness. Adding to the list of factors influencing satisfaction, Pappu and Quester (2006) in a research focusing on retail brands had proved that brand association also contributes to customer satisfaction. Findings by Pappu and Quester (2006) also support Helgesen’s (2007) argument of perceived quality and logistics influencing satisfaction of customers.

Brand X being readily purchased by *teh-tarik* restaurant operators despite the premium pricing indicates that there are factors that are more important than just the price difference between it and value brands. This research attested that satisfaction with Brand X depends on the perception of the factors of perceived quality, logistic process responsiveness, sales force effectiveness, brand association and trade promotion.

### 2.1 Quality

Zeithaml (1988) defined perceived quality as consumer’s judgment about a product’s overall excellence or superiority. In contrast with objective (or physical) quality, perceived quality is a subjective notion that exists in consumers mind (Anselmsson *et al.*, 2007). On a related note, Schellhase *et al.* (1999) had identified that perceived quality directly influence the level of customer satisfaction.

Focusing on grocery products, Anselmsson *et al.* (2007) had listed eight attributes as dimensions of perceived quality: Taste of the products; Based on good ingredients; Functions and performs as expected; Texture of the products; Packaging is attractive and functional; Product color; Durability in comparison to other products; and Odor or smell. Anselmsson *et al.* (2007) defined perceived quality using a diverse range of attributes compared to other
literature. The existence of these attributes in the context of Brand X might influence the *teh-tarik* restaurant operators to perceive the brand as a high quality product. Hence, the perceived quality of Brand X is likely to positively influence the satisfaction of Brand X in *teh-tarik* restaurant operators in Peninsular Malaysia.

### 2.2 Logistic Process Responsiveness

Sukati *et al.* (2010) had highlighted that logistic process responsiveness is a sub-set on supply chain effectiveness. Supply chain effectiveness is defined as the level of capability and ability to address changes in customer demand (Lummus *et al.*, 2003).

Li *et al.* (2006) state that supply chain responsiveness is considered an aspect that creates competitive advantage over competitors and increases customer satisfaction.

Rauyruen *et al.* (2009) opined that once the competitive advantage is gained, it will contribute to increasing customer satisfaction which in turn, allows repeat purchase behavior. Referring to the discussions above, customer satisfaction is closely related to the competitive advantage that can be provided by a firm through improving logistic process responsiveness.

Besides having its own logistic service, the producer of Brand X has developed a distribution infrastructure to conduct sales and delivery across the breadth and width of the country. Other than conduct routine order deliveries, the distributors also play an important role in ensuring availability of Brand X at targeted customers’ premises. *Teh-tarik* restaurant operators order in small quantities, mainly due to space constraints. As a consequence, the ability of the logistics provider to conduct frequent deliveries and provide other services may have played a part in contributing to *teh-tarik* restaurant operators’ satisfaction in purchasing Brand X. Hence, the logistic process responsiveness practiced by the company’s Brand X distributors is likely to positively influence the satisfaction of Brand X among *teh-tarik* restaurant operators in Peninsular Malaysia.

### 2.3 Sales Force Effectiveness

Blythe and Zimmerman (2005) stated that sales personnel provide a personal touch in a buying-selling situation because they understand and utilize their knowledge on capabilities of the supplier and the products offered to develop a creative solution in purchase decision making.

Positive relationships have an impact on the sales representative’s ability to influence the store owner to activate certain in-store drivers that contributes to increase the sales volume (Herbst and Forrest, 2008).

Also, Sashi (2009) opined that better satisfaction among buyers can be formed if sales personnel are able to assist the buyers in spotting potential problems that are related to purchase decision and making genuine efforts to fix them efficiently and effectively.

Furthermore, as far as Brand X is concerned, there is a specialized team of well-trained sales personnel tasked to market condensed milk to *teh-tarik* restaurant operators. Besides continuing to service existing customers, this designated team is also responsible to identify
potential new customers and promote Brand X to them. If this is executed well, it may generate satisfaction of Brand X among *teh-tarik* restaurant operators. Hence, sales force effectiveness is likely to positively influence the satisfaction of Brand X in *teh-tarik* restaurant operators in Peninsular Malaysia.

2.4 Brand Association

Aaker (1991) had mentioned that brand association represents the foundation for both purchase decision and brand loyalty. A detailed definition provided by Keller (1993) considered brand association as the informational nodes that have a meaning for the consumers, linking to brand nodes in memory. Anselmsson et al. (2007) had tested both Aaker’s (1991) and Keller’s (1993) association dimensions within the context of grocery products and found out that the following attributes affects brand association: origin in terms of continent; country and region; health in terms of nutrition and other dietary measures; organizational associations in terms of being innovative and successful; social image; and environmental and animal friendliness. These attributes listed above might influence the brand association of Brand X. The fact that Brand X is manufactured in Malaysia and produced by a well-known and reputable company may contribute to a favorable brand association for Brand X. *Teh-tarik* restaurant operators might feel satisfied with Brand X due to the existence of such attributes. Hence, brand association with Brand X is likely to positively influence the satisfaction of Brand X among *teh-tarik* restaurant operators in Peninsular Malaysia.

2.5 Trade Promotion

Trade promotions are those promotions aimed at those who comprise the distribution channels (Peter and Donnelly, 2011). In their research, five objectives of trade promotion were highlighted: convince the members of trade channel to carry manufacturer’s products; reduce manufacturer’s inventories and increase members of trade channel’s inventories; support advertising and consumer sales promotions; encourage the members of trade channel to sell the products; and serve as a reward for past sales contribution.

Trade promotions can come in various forms such as premiums give-away, trade discounts, allowance and payment discount (Blythe and Zimmerman, 2005). Premiums and trade discounts had been chosen for further analysis in this study due to the relevancy with the area of research. Anderson and Narus (2004) classified trade discount as a percentage reduction from the suggested price that will assist resellers in performing assigned tasks and provides them with a reasonable profit.

Marketers of Brand X undertake promotions by providing point of sales material (POSM) such as posters and banners to *teh-tarik* restaurants. The marketers also tend to provide premiums such as t-shirts, aprons, jugs and other items that have functional value to the restaurant operators. Other than that, *teh-tarik* restaurant operators often receive trade discounts from the management of Brand X. Sharif (2009) had argued that an effective trade promotions have the tendency to satisfy both loyal and normal customers. The availability of such trade promotions may affect the satisfaction of *teh-tarik* operators in using Brand X in their restaurants. Hence, trade promotions of Brand X are likely to positively influence the satisfaction of Brand X among *teh-tarik* restaurant operators in Peninsular Malaysia.
2.6 Research Framework

The literature reviewed suggests that the antecedents to the satisfaction and purchase of condensed milk are: Perceived quality; Logistic process responsiveness; Sales force effectiveness; Brand Association; and Trade promotions. Hypotheses were developed for this research to test these antecedents in the marketing of Brand X in the *teh-tarik* restaurant sector. Hence,

There is a positive relationship between satisfaction with Brand X condensed milk among *teh-tarik* restaurant operators in Peninsular Malaysia and the perceived:

- $H_1$: quality of Brand X
- $H_2$: logistic process responsiveness of the distributors of Brand X
- $H_3$: sales force effectiveness of Brand X
- $H_4$: brand association with Brand X
- $H_5$: trade promotions of Brand X

In addition,

$H_0$: The five independent variables of perceived quality, logistic process responsiveness, sales force effectiveness, brand association, and trade promotions will significantly explain the dependent variable of satisfaction with Brand X among *teh-tarik* restaurant operators in Peninsular Malaysia.

3.0 METHODOLOGY

A positivistic approach was adopted to create hypotheses for empirical testing of the underlying factors that contribute to customer satisfaction (Weatherington *et al.*, 2010). The descriptive research design was chosen to identify the factors that influence restaurant operators’ satisfaction towards Brand X (Burns and Bush, 2007). For this research, primary data were required to be collected from restaurant operators who used Brand X. A face-to-face approach was selected to ensure a higher level of cooperation and facilitate understanding of the questions. The respondents are busy restaurant operators and they are mainly entrepreneurs.

The sampling frame should be the list of restaurant operators obtained from Brand X’s distributors. However, the list is confidential. Thus, relying on convenience sampling, restaurant operators that use Brand X were identified; they came from three different geographical areas which are Kuala Lumpur, Ipoh and Kuantan. They were *teh-tarik* restaurant operators who were available to answer the survey questionnaires when visited by the researcher.

3.1 Questionnaire Design

The questionnaire consisted of 46 questions. The first question was a screening question to ensure that only restaurant operators who used Brand X responded. The next four questions requested demographic information. Respondents were asked to rate from (1) “very strongly disagree” to (4) “neither agree nor disagree” to (7) “very strongly agree” for the next 41 questions. These questions were multi-item scales, adapted from the literature reviewed. The questions measured the respondents’ perceptions based on the five constructs of independent variables to be tested against the dependent variable which is their satisfaction with Brand X.
To ensure a high reliability of the questionnaire, the questions and dimensions in the questionnaire were designed according to past research in the literature review section. For example, the construct of logistic process responsiveness was a multi-item scale consisting of scale-items from research by Keaveney (1995) and Schofield and Breen (2006). The use of multi-item scale to measure customer satisfaction is all well-supported. Sureshchandar et al. (2001) indicated that customer satisfaction should be viewed as a multi-dimensional construct and the measurement items should be generated with the same dimensions of service quality. Adding on to Sureshchandar et al.’s (2001) suggestion, Westbrook and Oliver (1991) proposed that future researchers may utilize multi-item scale for measuring customer satisfaction to lowering measurement errors and improving the scale reliability.

Prior to bringing the questionnaire to potential respondents, a pilot study was conducted and personally administrated by the researcher. It was tested on 6 randomly-located restaurant operators who use Brand X condensed milk. The time taken was an average 8 to 10 minutes per questionnaire. All feedbacks were taken seriously which had contributed to commendable improvements in the survey. Some changes had been made to the questionnaire according to the feedback from the pilot study as the respondents felt that some questions were not appropriate and/or in some cases, they had faced difficulties in understanding some of the English words that had been used. For example, the question on animal testing was deleted because it was deemed irrelevant to condensed milk manufacturing. The improved version of the questionnaire was then used to conduct the actual survey.

4.0 FINDINGS

Data was collected personally from 80 respondents from the cities of Kuantan, Ipoh and Kuala Lumpur. All the questionnaires were duly completed and the data was usable. One reason for this good response rate is due to the care taken to arrange appointments prior to the actual survey to fine-tune the timing according to the respondents’ convenience and focus on off-peak hours to conduct the survey.

The respondents were mainly owner-entrepreneurs (87.5%). All the respondents were decision-makers in the purchase of condensed milk. The majority of the respondents (63.75%) exclusively use Brand X in their businesses; respondents using 80%, 50% and 20% of Brand X consists of 15%, 16.25% and 5% respectively. The restaurants in Peninsular Malaysia consist of different service formats. Fifty percent of the respondents were from corner shop service format with one lot or larger. The other half were from intermediate shop lots of one or more lots service format. Respondents purchased between 15 and 40 cartons of sweetened condensed milk per month. The business location of the respondents and their demographic profiles suggest that the respondents were quite representative of teh-tarik restaurant operators in Peninsular Malaysia who use Brand X condensed milk.
4.1 Reliability analysis

The constructs were tested for reliability using Cronbach’s Alpha reliability analysis. Cronbach Alpha for the constructs ranged from 0.673 (Brand Association) to 0.868 (Logistic), as shown in Table 1.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>No. of items</th>
<th>Cronbach’s Alpha</th>
<th>Reliability</th>
<th>Mean Score</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>7</td>
<td>0.802</td>
<td>Strong</td>
<td>5.2446</td>
<td>0.54609</td>
</tr>
<tr>
<td>Quality</td>
<td>9</td>
<td>0.799</td>
<td>Strong</td>
<td>4.4297</td>
<td>0.55648</td>
</tr>
<tr>
<td>Logistic</td>
<td>10</td>
<td>0.868</td>
<td>Strong</td>
<td>4.7888</td>
<td>0.66756</td>
</tr>
<tr>
<td>Sales Force Effectiveness</td>
<td>6</td>
<td>0.852</td>
<td>Strong</td>
<td>4.7646</td>
<td>0.66756</td>
</tr>
<tr>
<td>Brand Association</td>
<td>4</td>
<td>0.673</td>
<td>Strong</td>
<td>4.1531</td>
<td>0.72642</td>
</tr>
<tr>
<td>Trade Promotion</td>
<td>4</td>
<td>0.833</td>
<td>Strong</td>
<td>4.2875</td>
<td>0.80946</td>
</tr>
</tbody>
</table>

The measurement scales of constructs with Cronbach’s Alpha of 0.7 and above are considered as strong and reliable for further analysis (Coakes et al., 2006). The construct of Brand Association scored a Cronbach’s Alpha of 0.673 which is considered to be marginally strong. As such, all the independent variables are considered strong and reliable for correlation analysis.

4.2 Correlation analysis

The Pearson product-moment correlation test was used to determine the existence of linear relationship between the respondents’ satisfaction with Brand X and their perceptions of the brand. (Weathington et al., 2010). The results show that all the constructs were positively related to the respondents’ satisfaction with Brand X. Pearson’s correlation coefficient $r$ for all the constructs were between 0.449 (Quality) and 0.646 (Logistic) which were all significant at 0.01 level, as shown in Table 2.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Construct</th>
<th>Pearson’s Correlation Coefficient $r$</th>
<th>Sig.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$</td>
<td>Quality</td>
<td>0.449</td>
<td>0.000</td>
<td>Not rejected</td>
</tr>
<tr>
<td>$H_2$</td>
<td>Logistic</td>
<td>0.646</td>
<td>0.000</td>
<td>Not rejected</td>
</tr>
<tr>
<td>$H_3$</td>
<td>Sales Force Effectiveness</td>
<td>0.582</td>
<td>0.000</td>
<td>Not rejected</td>
</tr>
<tr>
<td>$H_4$</td>
<td>Brand association</td>
<td>0.564</td>
<td>0.000</td>
<td>Not rejected</td>
</tr>
<tr>
<td>$H_5$</td>
<td>Trade promotion</td>
<td>0.557</td>
<td>0.000</td>
<td>Not rejected</td>
</tr>
</tbody>
</table>

There was a significant and positive relationship between respondents’ perception of Brand Quality and satisfaction with the brand ($r=0.449$, $p<0.01$, as shown in Table 2). Hypothesis 1 is not rejected. The respondents perceived that teh-tarik prepared by using Brand X will have a better taste and produce more foam. Schellhase et al. (1999) and Anselmsson et al. (2007) that changes in quality of a brand will directly effects customer’s satisfaction especially when the quality attributes which are most closely related to customers’ perception been raised. Thus, this finding is supported by extant literature.
Logistic process responsiveness of the distributors for Brand X was positively related to satisfaction at a significant level of 0.01 ($r=0.646$, $p<0.01$, as shown in Table 2). Hypothesis 2 is not rejected. The respondents perceived that Brand X’s logistic processes mostly did not cause the product to be damaged during delivery, had minimal errors in billing and did not manipulate final prices in their invoices. Most of the respondents are entrepreneurs who hold responsibility in ensuring the smooth running of the business. Being in the restaurant business, those operators definitely give crucial importance in making sure the ingredients in their food and beverage were freshly and properly stored in the premises. As such, a logistic provider that is able to provide satisfactory credit terms, deliver a full range of products in the exact quantity ordered within the given time frame will increase the satisfaction of the restaurant operator. The results obtained from this survey imply that Brand X had engaged the right type of distributors to conduct a complete suite of delivery and other logistic services to the teh-tarik restaurants. The findings are supported by Miller and Fuller (1995), Li et al. (2006) and Lummus et al. (2003) who suggested that the logistic process responsiveness able to create competitive advantage over competitors and increase customer satisfaction especially within the industrial buying context.

Sales force effectiveness was also positively related to satisfaction at a significant level of 0.01 ($r=0.582$, $p<0.01$, as shown in Table 2). Hypothesis 3 is not rejected. The respondents appreciated that the sales force provided satisfactory service as well as proper follow-up with buyers on order status. Direct contact exists between sales personnel and purchase decision makers in the context of a buying-selling environment in teh-tarik restaurants. Sales personnel of Brand X have the opportunity to directly influence the purchase decision makers, without going through an elaborate purchasing process. As such, the results indicated that the service provided by the sales personnel were favored by restaurant operators, and it had a direct impact on the latter’s satisfaction towards Brand X. Sashi (2009), Biong (1993) and Dwyer et al. (1987) found that an effective sales force will ensure satisfaction among organizational buyers. Thus, this finding is supported by extant literature.

The respondents’ perceptions of brand association with Brand X was significant and positively related to satisfaction ($r=0.564$, $p<0.01$, as shown in Table 2). Hypothesis 4 is not rejected. The restaurant operators anticipated that their customers have better perception of their restaurant by using Brand X. However, the respondents disagreed that consumers of Brand X will recall some interesting moments on friends and family. Overall, the respondents felt that their customers had positive association with Brand X. Similar results were found in both Keller (1993) and Aaker (1991) research which showed positive correlation between brand association and satisfaction. As been suggested by Keller (1993) and Aaker (1991), the sense of uniqueness which relates to Brand X had promoted satisfaction among restaurant operators whom had used the brand despite being premium-priced. Again, this finding is supported by extant literature.

Trade promotions for Brand X was positively related to satisfaction at significant level of 0.01 ($r=0.557$, $p<0.01$, as shown in Table 2). Hypothesis 5 is not rejected. The respondents agree that the premium give-away and trade discounts offered are interesting. Peter and Donnelly (2011) found that promotions build around price discounts or other types of allowances are likely to have higher participant level from the related trade channel. The finding is supported by extant literature.
Multiple regression analysis was used to test whether Satisfaction with Brand X can be significantly influenced by the respondents’ perceptions of Brand X’s Perceived quality, Logistic process responsiveness, Sales force effectiveness, Brand association, and Trade promotions.

The multiple regression analysis yielded a significant regression model with F value of 28.199 and significant at the 0.01 level, as shown in Table 3 below. The derived model is:

\[
\text{Satisfaction with Brand X} = 1.319 + 0.57 \text{ Perceived Quality} + 0.326 \\
\text{Logistic process responsiveness} + 0.116 \text{ Sales force effectiveness} + 0.218 \text{ Brand association} + 0.152 \text{ Trade promotion}
\]

The results of the regression indicated the respondents’ perceptions of the Brand X’s Perceived quality, Logistic process responsiveness, Sales force effectiveness, Brand association, and Trade promotions Brand X influenced 63.3% of the variance of their satisfaction with Brand X at 0.01 significance level (adjusted R2=0.633, F=28.199, p=0.0001). Hypothesis 6 is not rejected. This finding is supported by the results of the positive and significant correlations between the constructs and satisfaction with Brand X which was supported by extant literature, as discussed above.

Table 3: Results of Multiple Regression Analysis in this research

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Std. Coefficients</th>
<th>t-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.319</td>
<td>0.386</td>
<td>3.415</td>
<td>0.001</td>
</tr>
<tr>
<td>Perceived quality</td>
<td>0.057</td>
<td>0.088</td>
<td>0.58</td>
<td>0.646</td>
</tr>
<tr>
<td>Logistic process responsiveness</td>
<td>0.326</td>
<td>0.067</td>
<td>0.399</td>
<td>4.852</td>
</tr>
<tr>
<td>Brand association</td>
<td>0.218</td>
<td>0.066</td>
<td>0.290</td>
<td>3.304</td>
</tr>
<tr>
<td>Trade promotions</td>
<td>0.152</td>
<td>0.058</td>
<td>0.226</td>
<td>2.623</td>
</tr>
<tr>
<td>Sales force effectiveness</td>
<td>0.116</td>
<td>0.077</td>
<td>0.142</td>
<td>1.516</td>
</tr>
<tr>
<td>R square=0.656</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R square=0.633</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F = 28.199</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P-value=0.0001</td>
<td></td>
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</tr>
</tbody>
</table>

The results of the multiple regression analysis further show that the standardized beta for the factors of logistic, Brand Association and Trade Promotion are 0.399, 0.290 and 0.226 respectively, significant at 0.05 level, as shown in Table 8. This means that the relative importance of the predictor factors in explaining the variance in satisfaction with Brand X is, in the order of decreasing importance: logistic process responsiveness, brand association and trade promotion.

5.0 CONCLUSION

All the hypotheses tested were supported. The findings showed that the five constructs of Perceived quality, Logistic process responsiveness, Sales force effectiveness, Brand
association and Trade promotions are positively related to the overall trade customer satisfaction of premium condensed milk in Peninsular Malaysia. These findings are supported by extant literature. A regression model of the respondents’ responses shows that the five constructs will influence 63.3% of the variance of overall trade customer satisfaction with the product. In the model, the relative importance of the constructs in explaining the variance in satisfaction with Brand X is, in the order of decreasing importance: Logistics process responsiveness, Brand association and Trade promotion.

The results show that teh-tarik restaurant owners’ satisfaction of premium Brand X sweetened condensed milk are influenced by their perceptions of the brand’s perceived quality, logistic process responsiveness, sales force effectiveness, brand association and trade promotion. In the order of decreasing importance, their perceptions of logistics process responsiveness were most important followed by brand association and trade promotion.

6.0 IMPLICATIONS FOR MANAGEMENT

Findings of this research are that the predictor factors which are perceived quality, logistic process responsiveness, sales force effectiveness, brand association and trade promotion positively correlated to satisfaction of restaurant operators. Brand X is suggested to concentrate on those attributes in building higher satisfaction among its consumers. Overall, the findings can assist the management to selectively communicate strategies and concentrate on factors that contribute to the satisfaction of Brand X. Effective communication on such strategies will assist Brand X in differentiating itself from other brands and avoid price war which diminishes the value of the brand.

It had been identified that perceived quality is important and contributes to satisfaction of Brand X. As such, marketing activities for Brand X should be focusing on promoting quality attributes of the brand. Attributes such as ability of Brand X condensed milk to create a pleasant appearance and produce more foam when used in preparing teh-tarik should be shout-out in marketing campaigns of Brand X. This will stimulate customers to accept or classify Brand X as superior in quality. Even future extension of Brand X must maintain high quality and not compromising quality at any circumstances.

Logistic process responsiveness also had been identified as positively correlated to satisfaction of using Brand X among teh-tarik restaurant operators. This provides important implication and assist in some essential decision making related to logistic. Producer of Brand X need to seriously consider maintaining and increasing the level of logistic efficiency and effectiveness that currently been offered. If the company is using own logistic service, elements such as timely delivery effectiveness, ability to full-fill ad hoc orders and other logistic attributes should be given important consideration by the management. Alternatively, if the management plans to sub-contract logistics to a third party, special observation on the performance of the logistic provider need to be conducted. Logistic is also relatively most important predictor factor of satisfaction, it cannot be jeopardized or taken lightly. Schofield and Breen (2006) had highlighted that fulfilling the order quantity within the expected duration is essential in ensuring satisfaction in logistic service. As teh-tarik restaurant operators prefer frequent deliveries in small quantities due to space constraints, elements of such a method of delivery should be practiced by the distributors. This can be accomplished by efforts such as using small trucks or vans and engaging with local delivery vendors in rural areas which are geographically apart.
Sales personnel whom able to provide satisfactory service, proper feedback to the restaurant operators and keep them informed on any promotional activities directed to restaurants from the company will increase the satisfaction of purchasing Brand X condensed milk among the operators. Sales force effectiveness had been acknowledged as having positive correlation with satisfaction of Brand X through this research. As such, Brand X’s management needs to concentrate on developing and maintain a skillful and knowledgeable sales force to ensure satisfaction towards the brand among teh-tarik restaurant operators. Training programs focusing on skill development such as selling skills and negotiation skills should be provided to the sales personnel to increase the effectiveness of the sales force. The sales team of Brand X should also well informed on product specification which promotes differentiation of Brand X compared to other brands of sweetened condensed milk. Teh-tarik restaurant operators tend to keep low stock level as had been explained earlier. As such, sales personnel servicing this segment needs to maintain frequent visits to the teh-tarik restaurants. This is referred to as effective call frequency by Hawes et al. (1993) which will ensure the sales personnel pay frequent visit to the restaurants, conduct routine sales tasks at the outlet and confirms the existence of buffer stocks till the next visit.

The findings of this research also suggest that brand association is positively correlated to the satisfaction of Brand X. Restaurant operators convinced that their customers have a favorable view of them because they use Brand X. The operators also believed that Brand X’s producer is considered a reputable company. Management of Brand X can use this information to strategize efforts to strengthen the association of Brand X among restaurant operators. Applying suggestions by Keller (1993), marketing communication on Brand X may concentrate on attributes and benefits to form positive attitudes among teh-tarik restaurant operators towards the brand. This is essential as brand association also had been identified as a second important variable that significantly explains the variance in satisfaction of Brand X through this research.

Trade promotion had also been identified as an important factor that affects satisfaction of Brand X among restaurant operators. The factor also had ranked as the third factor that significantly explains the variance in satisfaction of Brand X through this research. Marketers of Brand X may expect positive outcome from teh-tarik restaurant operators for effective trade promotions that had been provided.

Attractive trade discounts and customer rewards are some examples that can be used in designing effective trade promotions. However, this factor need to be carefully analyzed by the management to meet two objectives simultaneously; which is achieving satisfactory trade promotion provided to restaurant operators and at the same time, maintain a healthy ratio of return on investment (ROI) to the company. Both of these objectives are important to ensure a win-win situation between the organization and restaurant operators.

This survey had measured trade promotions through two main attributes which are premium give-away and providing trade discounts. It had been pointed out that restaurant operators’ are in agreement that Brand X has a premium image that conveys a prestige value to restaurants. Premiums that were provided by sweetened condensed milk producers to restaurants normally consist of aprons and t-shirts which will be given to the serving staff. However, the response from the restaurant operators indicated that they are expecting other interesting premiums that are more useful to restaurant operations. As they are managing profit-based businesses, restaurant operators will feel very satisfied if the support provided by
the suppliers can assist to lower down the cost of operations. Trade discounts provided during the purchase of Brand X had affected the satisfaction level of the respondents because such activity has a direct impact on total cost of purchasing.

The finding in this research indicated that the predictor variables of perceived quality, logistic process responsiveness, brand association and trade promotion explain 63.3% of the variance in the respondents’ satisfaction with Brand X. The brand should ensure that these factors will be maintained and improved in the future as the factors illustrated reasonably high variance in satisfaction towards brand X.

The findings in this research also show that the relative importance of the predictor factors in explaining the variance in satisfaction with Brand X are, in the order of decreasing importance: logistics process responsiveness, brand association and trade promotion. The brand management should prioritize the effort of promoting Brand X by providing most of the attention to improving logistics process responsiveness, followed by building brand association and finally, providing attractive trade promotions. Such prioritization will assist in the proper channeling of resources to obtain optimal results from any campaign or promotion that have been conducted to increase the customer satisfaction of premium brand sweetened condensed milk.

The above study demonstrates that teh tarik restauranteurs exhibit brand loyalty and when this increases, they become less sensitive to price changes. The implication is that they are willing to pay more for their preferred brand because they have perceived some unique value in the said brand that other competitive brands do not provide. After all, loyal customers are less likely to switch because of price and they make more purchases than similar non-loyal customers (Reichheld and Sasser, 1990).

7.0 LIMITATIONS

The respondents were selected by convenience sampling which is not founded by fairness, equity or equal chances (Burns and Bush, 2007). Although the sample was considered to be reasonably representative of the teh-tarik restaurants in Peninsular Malaysia, probability sampling may provide more “accurate” findings. The respondents for this research are teh-tarik operators using Brand X. A more accurate finding may be obtained if other premium brands of condensed milk users were included in the research. Also, opinions from various premium brand users will provide insights on more factors or attributes that need to be considered in conducting satisfaction survey on sweetened condensed milk.

8.0 RECOMMENDATIONS FOR FURTHER RESEARCH

This study had been focused to teh-tarik restaurant operators. Future research should also consider other customer segments of premium brand condensed milk such as wholesalers and key account outlets. This will contribute to generalizing the findings to be applied across other segments of customers. Hence such research might uncover overall satisfaction towards a premium brand of condensed milk among all the customer segments.
REFERENCES


