

Use of Customer Satisfaction in Total Quality Improvement of Malaysian Automotive(Car) Manufacturing Industry

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Abstract: Customer satisfaction and total quality improvement is a great apprehension in every industry of the world. In highly competitive automotive manufacturing industry the success and smoothness of the business depends on customer satisfaction and the quality of the products. Customers are happy when the product meets their expectations and customer satisfaction has a positive effect on organization's economic condition. The organizations are showing their sincere interest towards the total quality improvement as a continuous improvement of products, customer satisfaction, and business excellence.

The aim of the study was to capture the response of the customers how they perceive these organization efforts to improve their products and services. To meet the objective in this study 103 users of Malaysian cars owners were interviewed. In general customers are satisfied with the Malaysian car brands keeping in view the value for money. Based on customer responses this study proposes and elaborates in relation with two dimensions of quality improvement and customer satisfaction.

This study is very beneficial for the practitioners in the Malaysian car companies to understand their customers, design products as per their expectations. Producing products as per customer expectation will increase companies' sales and ultimately leading towards more profit for the company. Most of the studies conducted in Malaysia are quantitative, this is the only study in which we have interview the car users, which can be very useful for academicians and coming researchers.

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I. Background of the study

Total Quality Improvement and Customer Satisfaction: Humans today are more resourceful than ever before in human history. Means of transportation like cars were once considered as a tool to travel from one place to another, now has become sign of identity, sign of wealth and respect. Customers only buy products when they associate themselves with the product. Product quality in eyes of the user and his community is very important. Keeping in view these advancement in the society, there has been many changes in the companies. Companies today are more concerned with the quality of the product and satisfaction of their customers. This study is designed to view these both aspects. The authors of the paper will address the challenge issue of the Malaysian car industry(Ahmed, Khurshidmian, Buzdar, Ali, & Irshad, 2014; Buzdar, Janjua, & Khurshid, 2016; Osman, Ali, Wan Rashid, & Jusoff, 2009)

In the twentieth century, the automotive industry recognized as one of the most globalized industries in the world. (Wad, 2009) In Malaysia, the automotive industry is contributing an important role in the growth of the economy. The automotive industry is one of the prestigious manufacturing industry in the world and all of them are dominated by non-Muslim country namely Germany, USA, Sweden, Japan and South Korea etc. But now Malaysia has the ability to establish their own automotive industry and producing a lot of national cars which take a huge role in the country's economic growth.(Rosli, 2006) In ASEAN Malaysia is among the four major automotive manufacturing nations. (Mousavi, Aziz, & Ismail, 2012) From 1985 after producing the first national car proton saga in its own plant, Malaysia has gained a lot of recognition internationally for its excellent success in the automotive industry. In Malaysia's automotive industry the two national car manufactures namely, PROTON and PERODUA produced a significant percentage of cars for the people in every year. (Rosli, 2006) Proton and Perodua have been produced various types of models. Proton included saga, wira, waza, perdana, iriz, persona, exora and gen2 etc. Perodua included viva, alza, myvi, axia and bezza etc.(Rosli, 2006) The Proton and Perodua as the largest car passenger market in ASEAN and gradually they are transforming into a national project to a corporate strong global automaker by the help of the direct involvement of Malaysia's government and customers' demand.(Wad, 2009)

Though the Malaysian automobile industry backed by the government, the competitiveness of this industry depends on customer satisfaction and the customer satisfaction depends on product quality, efficiency and delivery capabilities and the availability of cars' parts.(Wad & Chandran Govindaraju, 2011) The present

business situation of these two-car manufacturing organization is highly competitive due to lower price, good quality, advanced technologies, patriotism, safety system, and changing customer expectations. (Management, 2015) Nowadays customers are really becoming more demanding and because of this change companies are giving more focus on customer satisfaction whereas customer satisfaction linked to improving product quality, firm performance and taking accurate action to improve the quality. (“Griffin.pdf Best Practice for Customer Satisfaction in Manufacturing Firms,” 1995)

Automobile Industry in Malaysia: The automotive industry of Malaysia is the third largest in Southeast Asia, and 23rd largest in the world where annual production output of over 500,000 vehicles. This industry consists of 27 vehicle producers where two car companies has its own manufacturing unit which are treated as national car manufacturing organizations—one is PROTON Holdings Berhad (Proton) and another one is Perusahaan Otomobil Kedua Sendirian Berhad (Perodua). (Industry, 2017)

Proton: The company name of Proton is PROTON Holdings Berhad. Proton was established in 1983 as the sole national badged car company until the advent of Perodua in 1993. The headquarter of this company is in Shah Alam, Selangor and additional facilities are operates from Proton City, Perak. 'PROTON' is a Bahasa Malaysia acronym for Perusahaan Otomobil Nasional (National Automobile Company). (facts, 2017)

The concept of a National Car was conceived in 1979 by then Prime Minister of Malaysia, Yab Tun Dr. Mahathir bin Mohamad with the goal of expand Malaysian industry. The National Car Project was approved by the Cabinet in 1982 and leading to the founding of PROTON on 7 May 1983. It was wholly owned by the government of Malaysia through Khazanah Nasional at its creation. PROTON, largely dependent on its domestic market. PROTON is now bond up with Geely is expected to put the company back on track with the introduction of the more awaited SUV will go on sale by end of 2018. (years, 2013)

Perodua: The Perusahaan Otomobil Kedua Sendirian Berhad usually abbreviated as Perodua is Malaysia's second car manufacturer company. Perodua established in 1992 and launched their first car, the Perodua Kancil in August 1994. Originally, Perodua mainly produced minicars and superminis and does not have models in the similar market segments as Proton. In recent years, their targeted market segments have started to overlay. Specially in the same market segment Perodua Myvi has competed with the Proton Savy and now Perodua competing with the Proton Iriz. (Poland, 2006)

II. Literature Review

2.1 Customer Satisfaction:

Customer satisfaction is reflected to be the crucial success issues for all business organization and it involves into develop companies' brand image, market value and customer loyalty. (Sit, Ooi, Lin, & Chong, 2009) Every organization and Marketing philosophy focuses on of customer satisfaction. The satisfaction of customer can be gained when product or service quality meet their expectation. (Khan, 2012) Customer satisfaction depends on the level of expectation of product's quality and supply of product. (Khan, 2012) Nowadays customer satisfaction measured as a core thing and a conceivable standard of superiority for any business organization. (Mihelis, Grigoroudis, Siskos, Politis, & Malandrakis, 2001) We know the customers who are dissatisfied with the product quality and received services never be liked to have long run relations with the organization. Poor quality product or services never bring a new customer and loose the existing customer because of dissatisfaction. (Khan, 2012) Customer satisfaction generally emphasis on a previous experience by buying product or taking service. Only a customer can define how pleased with his/her former experience. (Swaddling & Miller, 2002) The of customer satisfaction is measured by the asking about product features to the customer. (Swaddling & Miller, 2002) Customer satisfaction measurement must be an instant, expressive and most of the organizations should have to be customer-based management and culture. (Mihelis et al., 2001) Satisfied customers have a tendency to noninfluence by rival organization, a lesser amount of price sensitive and stay in the long run (Sit et al., 2009).

2.2 Total Quality Improvement:

In the worldwide today, quality keeping a significant role in every marketplace and a lot of organizations understood that to survive in the business high-quality product should have to produce. (Osman et al., 2009). Automotive industry faces hard challenges and fewer time to improve product's quality and the companies are get less time to introduce a new product. For this reason, they have lot of pressure to achieve customer satisfaction and improve product effectiveness as per customer needs. (Yadav & Goel, 2008) Total quality improvement approach is used in automotive industry for the purpose of improving performance in terms of quality and innovation of the product. (Zehir, Ertosun, Zehir, & Muceldilli, 2012) To improve the quality of products or services, which widely treated as managerial viewpoint and its core goals are to achieve satisfaction of customers and survive in the industry. (Neyestani, 2017) Total quality improvement is constructed

on the idea of customer satisfaction and firms flourish to achieve total quality improvements, based on the aiming at long-term success through customer satisfaction. (Sit et al., 2009)

This paper begins with the literature review to generate research idea about customer satisfaction and quality improvement of Malaysian automotive(car) industry. By using customer satisfaction manufacturing organization wants to gain competitive advantages by improving quality of the product.

III. Data Collection and Analysis- Qualitative Research

This study is constructed on the customer satisfaction of Malaysian automotive industry who are using the two brands-Proton and Perodua. It is an exploratory, qualitative study and it aim is to discover the satisfaction of customers to improve the total quality of products in eyes of users of Malaysian automotive. In this study we have only covered the Cars which are produced in Malaysia. We visited important places of Malaysia where respondents had enough time to respond to our questions. As we selected two brands proton and Perodua, we went to two Mosques, “Masjid Raja Haji Fi Sabilillah” and “Masjid Putrajaya”. We randomly went to meet the car owners and requested them to sit with us for 10 minutes to record their feedback about the cars. After that we have noted the responses of the people. Using NVIVO-12 we created codes against each response of the respondent. The reason behind choosing qualitative mode was to explore this industry and provide the car owners unique information which is not provided before in Malaysian context. We have interviewed 40 people for proton and 43 people for Perodua.The sample is efficient to make good judgment about the preference of the Malaysian people.

IV. Conclusion and Discussions

Table-1 shows the elements which matter more to the customers of automotive industry of Malaysia. It has been observed the quality is the key component in the Malaysian cars. Generally, people are satisfied with the quality of the cars because of the value for money. People of Malaysia also feel proud on using their country brand. We have also interviewed foreign people and found that they also consider two brands good value for money.

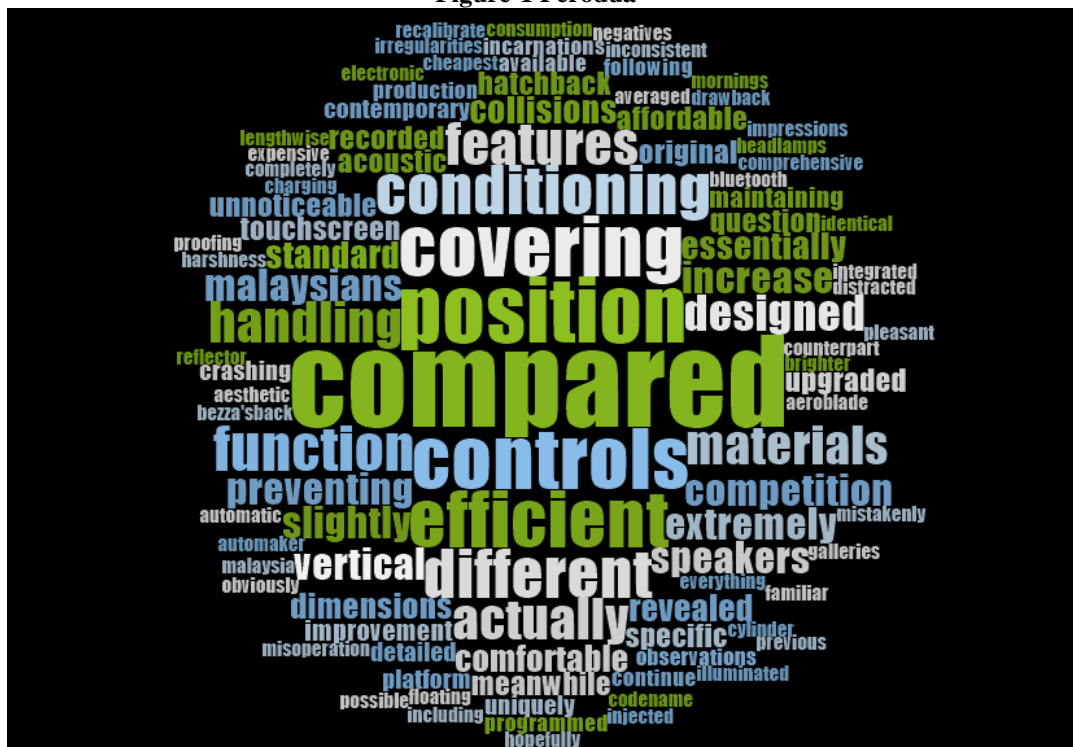
Figure-1 Proton



Proton users mostly said that its good for the families and specially for the middle class. People like it because of its in-built interior, easy to controlling system and ease to use flexible steering. Relatively charging price of proton is less and it gives value for money. It supported by the Government of Malaysia established in era of Prime Minister Mahathir bin Muhammad. Most the customers said its look is very impressive and over the year it there has been lot of improvements in its shape and features. Most of the customers call it affordable. Prices stability of proton car is also a good reason for Malaysia people to buy it. As its among most used cars in Malaysia its resale is also easy compared to the international brands. Adjustments in case of any issue of the

brought car is also easy. As its being produced in Malaysia so incase of accident of repair equipment for the car is easily available on affordable prices compared to the international cars in the market. Customer are also happy with the exterior of the car. The plastic used in the car outside is molded very good which protects it's from scratches. Although its national car of Malaysia but its design is as the international cars available in the market, so for the people who are conscious to design and international brands thus us a good choice. New generation of Malaysia feel more nationalist so they also buy it keeping in view their country car.

Figure-1 Perodua



Perodua is a unique, small Malaysian car being widely being used since its launch. It has a unique design very different then international cars available in the Malaysia. Its price is very affordable for the customers. In every stance customers compared it with other available cars. It was launched slightly later in 1994 compared to portion launched in 1983. It fulfils the requirement of small families, it has a very pleased design. Malaysian people said that they don't like too much designed things. Extra design is not a requirement in Malaysia. It should meet the minimum required criteria. Customers are happy with its function available.

It has been concluded that two factors are very important in satisfaction of Malaysian customers. One every car should meet their basic requirements, it should be value for money. Two, nationalism is very big factor in Malaysia. People feel good buying their national car. They also expect from the brand owners to respect them and resolve their issues. For managers in the industry our key insight is keep promoting this brand as Malaysian brand and promote its functions.

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