



IIUM Journal of Case Studies in Management

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Teaching Notes of the Case Studies, published in this issue, are available ONLY to lecturers and trainers. Please send your request to the Chief Editor (arifh@iiu.edu.my/arif.hassan@gmail.com) giving details of your job position and institutional affiliation using your institutional email address.

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Aim and Scope of the Journal

The IIUM Journal of Case Studies in Management is an internationally refereed journal published twice yearly by the Management Centre, International Islamic University Malaysia. The journal is dedicated to the development and promotion of case studies in the field of management and related disciplines for the purpose of enhancing our knowledge and understanding in the areas. Cases selected for publication are expected to deal with important issues related to the discipline, which may be used, among others, by instructors of Master of Business Administration and Master of Management programmes. Special consideration will be given to cases that deal with management issues in the Asia-Pacific region. Both, cases based on field research and secondary sources, will be considered. Also, papers on case writing, case teaching and case analysis will be accepted for publication. Occasionally the journal will publish empirical papers on current issues in management.

Editor's Note

Issue 2 of the journal is now ready for your viewing. First of all, our sincere apologies over the delay in the publication of this issue.

This issue consists of four case studies. The first one is authored by Vijaya Moonvala who has narrated an interesting story of a car park security guard working at a shopping mall in Bahrain who charms the visitors with his unique salutation style. The case provides an example of the difference between customers' satisfaction and customers' delight. The second case study is from Norazidah and Arif Hassan. They have presented a case on the dynamics of team performance and how sometimes when dynamics are not understood and managed properly, it may lead to unintended consequences. The third case is from Farzana Quoquab and Rozhan Abu Dardak. They have illustrated a case of a retail outlet experiencing customers' complaints, and declining sales. The decision dilemma is presented before the readers as to what should be done to resolve the problem of declining sales and customers' complaints. The last case is written by Khaliq Ahmad and Azhar Kazmi who analyse the business strategy of an Islamic bank in Malaysia. It provides the background information, organisational structure, financial status, and proposed plans of the bank and poses several questions to the readers. It includes an analysis of the strengths and weaknesses of the bank and how this bank can meet the challenges of an Islamic banking industry.

I hope that the cases presented in this issue will be of interest to the readers, lecturers and students of the management discipline. The teaching notes of the four case studies are available and can be sent to teachers on request. It will be mailed to them after authentication. I take this opportunity to thank all the contributors of this issue. I am grateful to my colleagues who have given me feedback on the first issue. I would request for active support from everyone to make this journal a good outlet for our research interests.

I am grateful to Prof. Mohammed Ismail, the Director of the Graduate School of Management and Prof. Khaliq Ahmad, Dean Faculty of Economics & Management Sciences for their interest and continuous support. Last but not the least, our great appreciation is for Ms. Sumangala Pillai who despite her indisposition and personal engagements was able to provide us with technical support in the form of copy editing, proof reading, and typesetting.

Thank you

Arif Hassan, PhD
Chief Editor



Case Study 1 A Salutation That Won Hearts

Vijayalaxmi Moovala*

Bahrain Institute of Banking & Finance

Abstract: This real life case highlights the extraordinary customer service rendered by a car park security guard, Gulzar Ahmed, in one of the major shopping malls (Bahrain City Centre), in the Kingdom of Bahrain. Gulzar became famous for the gesticulation and body language he adopted as a greeting, which is a salute with a sweeping wave of his hand, while bowing with a smile. This salutation was offered to every single visitor/ customer who passed his path as a car park guard. Gulzar created history in the services sector of Bahrain and the 'WOW' effect in the minds of the mall visitors. Within a short span of time, Gulzar became famous in Bahrain and had a large fan following. Major newspapers and magazines had write-ups about his customer orientation and interviews with him. A young Bahraini student, overwhelmed by Gulzar's salutation and courtesy, created a Facebook page titled 'We love the legend of City Centre' on the social networking site Facebook which soon attracted a membership of about 13,000 members. Gulzar received several awards and was given out-of-turn salary increments by his employer as a token of appreciation. Gulzar's case lays emphasis on the fact that a brand image can capture market share, but a genuine smile can capture mind share. What is important for the customer is not just the transaction, but also the treatment. Gulzar is a success story of an intrinsically motivated employee who delighted the customers.

SECURITY SERVICES OFFERED BY BATSCO

This leading security company in the Kingdom of Bahrain¹ was established in 2005 offering a range of security services. The Company's major services are:

- Trained uniformed guards.
- Security equipment such as CCTV, access control systems etc.
- Fire and safety related equipment.

¹ Kingdom of Bahrain is an island in the Gulf region with a population of 742,600 [2006 statistics] http://www.cio.gov.bh/CIO_ENG/English/Publications/Bahrain%20in%20Figure/BIF2006.pdf

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- Vaulting for storage of valuables.
- Security consultancy and risk assessment reports.
- Analysis and intelligence reports on national critical assets.

Batsco's vision is to provide trained uniformed guards and other security services which are uniquely customised to the clients' requirements. Some of their major clients include Ministries and Government departments, banks and financial institutions, corporate customers, hospitals, telecommunication companies, educational institutions, super stores, hotels, buildings, VIP houses, automobile dealerships, airlines offices, business centres, exhibition centres, industrial units, restaurants, currency exchange companies, jewelers, power stations, warehouses, transport companies etc.²

Batsco is owned by Mr. Mohammed Taqawi, a dynamic business leader. The operations of the company are managed by the General Manager, Mr. Muhammed Shaukat Hayat Khan, an ex-Colonel from the Pakistan Army. Within a short span of three years, there was a rapid growth in the market share of Batsco. It provided security guards to approximately 95% of the malls in Bahrain. Batsco was awarded the contract as a security provider for Bahrain City Centre, a mega-shopping complex which began operations in September 2008. Effective leadership, continuous employee development, and teamwork contributed to the success of the company.

GULZARAHMED

Gulzar Ahmed, a 46-year old, security guard working in Batsco, hailed from Mirpur in Pakistan. After twenty years of dedicated service, he retired from the Military Police of Pakistan Army in 2004. He subsequently worked with Muslim Commercial Bank for four years before being offered a job in Batsco, Bahrain. Gulzar, a father of three, took up the job at Batsco to ensure his children have a good life and a sound education. He was personally recruited by Colonel Khan and started work with Batsco in August 2008, as a security guard, i.e. about 1 ½ years ago. Gulzar's assignment in Bahrain started with Bahrain City Centre. Batsco assigned 150 security guards to City Centre one of whom was Gulzar.

Recruitment and Selection

Colonel Khan handpicked Gulzar for the job of a security guard in Batsco. The key qualities that encouraged Colonel Khan to recruit Gulzar were the following characteristics:

- Disciplined and conscientious
- Sincere
- Physically fit and full of energy

² www.batsco.net

- Committed to the job
- Charismatic

Gulzar had a proven track record of outstanding performance and experience in handling exceptional assignments. He previously worked as a security guard for the Chief of Army of Pakistan, a prestigious and high security job assigned to the very best in the field. In addition, Colonel Khan, saw in Gulzar, a concern for the well-being of his family, a keenness to provide and give his three children the opportunities that would help them become successful in life. This family values helped Gulzar secure the job at Batsco.

L earning and D evelopment

On joining Batsco, Gulzar, like all other security guards, received the mandatory one month intensive training at the Guards Training Center in Bahrain. After successfully completing the one month training, Gulzar had to go through the company's specific training programmes, designed by the top management of Batsco. This was a two-week customised in-house training programme which included induction components and training inputs on major competencies. The main areas of focus of this training programme were:

- Bahrain culture
- Batsco's vision and values
- Health and safety regulations
- Guarding responsibilities
- Personal grooming
- Customer service
- People orientation
- Positive attitude
- Commitment to the job/ company
- Professionalism / leadership

TOPMANAGEMENTINPUTAND COMMITMENT

The customised training programme was immediately followed by a personal meeting with the General Manager, Colonel Khan. Colonel Khan in his executive talk to the guards reiterated the company's expectations and values. He reinforced the need for professionalism and commitment to dedicated work. Colonel Khan ended these sessions by assuring the guards of the top management's support, his personal commitment, and above all, his accessibility at all times.

On-site Training

The guards were then assigned to different locations and provided continuous on-site training. Gulzar was assigned to Bahrain City Centre. Bahrain City Centre being a major client and a new shopping mall in the country, Colonel Khan personally oriented the guards at their locations. During his initial on-site visits, he emphasised that the guards, positioned at the main car park entry and exit points were responsible for directing traffic, and need to ensure that the visitors/ customers feel welcome at the mall. His motto to them was '*always give something extra to the tired customer*'. He personally instructed Gulzar and his team to extend a warm smile and a friendly gesture to the customers. At this stage, Gulzar demonstrated to Colonel Khan, the gesticulation and body language that he would like to adopt as a greeting, that is, a salute, sweeping wave of his hand, while bowing with a smile.

Colonel Khan, whose military background prompted him to inform Gulzar, also from the same background, that Gulzar should have a mental picture of himself standing at the quarter-guard of a regiment in the Army (a place where a group of guards are alert and vigilant 24/7), also called the face of the regiment. Gulzar who played the role of a quarter guard, picked up this cue and through his mannerisms and people orientation became the face of Bahrain City Centre.

CLIMB TO FAME

Gulzar started doing his work diligently at the main exit point of the car park of Bahrain City Centre. His salutation was offered to every single visitor/ customer who passed in the path of his guard duty area in the car park. Gulzar's salutation did not waver and was offered to all, irrespective of age and immaterial of the harsh weather conditions. Customers to the mall were, at first, just amused to see something so rare. This kind of customer service was never experienced by them in Bahrain malls. It all started with the initiative of one visitor to the Bahrain City Centre, who wrote a letter to the editor of a local newspaper, about this unique salutation from a car park guard. This was soon followed by other mall customers writing to the newspapers. Soon after, many local newspapers and several magazines had full reports about the exceptional mannerisms and service orientation of Gulzar. They carried detailed personal interviews with Gulzar and his managers.

Legend of Bahrain City Centre

Gulzar's special salutation touched one and all. A 20-year-old Bahraini, Hanan Ali Marhoon, a University student and shopper at Bahrain City Centre, was overwhelmed by Gulzar's courtesy and salutation. She and her friend noticed him the first time they went to the City Centre, and were enchanted by his warm smile and smooth wave. She soon found out that all her friends liked him too and, wanted to create a Facebook

³ Created in August/ September 2009

group so others could share their experiences and appreciation of Gulzar. Hanan felt that Gulzar deserved more and created a Facebook page titled 'We love the legend of City Centre'³ on the social networking site Facebook. Her expectation was that the open group would include about 60 members from her friends' list. To her surprise, the page started attracting hundreds of new 'members' every day and there was an exponential increase in the membership. Within a short period of time, about 12,600⁴ people joined in, and many posted appreciative comments about Gulzar on the profile page.

Sight to See

Gulzar was one of the sights in Bahrain that people flocked to see. The highlight of the shopping spree of customers/ shoppers to the City Center was Gulzar himself. Visitors brought along their family members and friends to see Gulzar and, experience what he had to offer. In fact, many of them drove slowly and lingered on as they passed by Gulzar, to hang on to the wonderful experience of watching Gulzar smile and salute to them.

Traffic-stopping Mannerisms

Visitors to the mall slowed down or stopped their cars when they exited the car park at Bahrain City Centre, where Gulzar was on duty. They wanted to have a word with Gulzar or just smile back at him, or hand him a tip/ gift. According to Gulzar⁵, people stopped their cars and told him it was a pleasure to see his happy face. Though shoppers were usually tired and irritable after hours of shopping, they were still eager to watch Gulzar in action.

Token of Appreciation

Fascinated by his courtesy, customer orientation and professionalism, visitors to Bahrain City Centre, were generous in vocalising and publicising their appreciation for Gulzar. They not only were generous with words, but also with gifts. While shopping at Bahrain City Center, especially during the holy month of Ramadan⁶ (2009), shoppers had another item added to their shopping list, 'food and drink for Gulzar'. They had him in their thoughts, and brought him food to break his fast. As a token of their appreciation for his hard work and high spirits, shoppers from Bahrain and other Gulf countries, who visited the City Centre, offered Gulzar their admiration and affection, along with their generous tips.

⁴ Figure in March 2010.

⁵ Gulf Daily News – 10th September 2009

⁶ Holy month of the Islamic calendar during which Muslims observe fasting from sunrise to sunset.

Slogans and Titles

Though Gulzar's official title was a security guard, he was bestowed with more popular titles like: 'Mr. Smooth', 'Legend of Bahrain', 'The world's friendliest car park attendant', 'Single best operator', and 'One in a million'. Some of the catchy slogans used in newspaper write-ups about him were: 'The regal Gulzar's bow', 'The power of a smile', 'Robotic precision', and 'Enigmatic smile'

CAREER ADVANCEMENT AND GROWTH

In recognition of his outstanding performance, Gulzar's employer, Batsco, raised his salary twice, that is, within a period of 1½ years. Plans were afoot to promote Gulzar to a supervisory position. The management tried to balance the business requirements and personal aspirations of Gulzar, who expressed his desire to remain as a car park guard, as that was the source of his recognition in Bahrain. Gulzar's fame and his association with Bahrain City Centre necessitated that he remained there. Customer demand for Gulzar's presence, interaction with him, and their affection for him, was the best best form of reward for him. An analogy can be drawn to the Coca Cola Classic⁷ (in 1950 which was brought back by Coca Cola due to heavy customer demand and loyalty. The situation was similar to the case of Gulzar. If Gulzar was not at his location for an extended period of time, the general managers of Bahrain City Centre and Batsco would receive phone calls from visitors, enquiring about his whereabouts.

Awards/ Rewards

The management of Batsco presented Gulzar with several awards. Colonel Khan went the extra mile, and invited the Ambassador of Pakistan [in Bahrain] to visit Batsco and honour Gulzar in person, with an appreciation letter. Colonel Khan also had a plan to contact the Ministry of Labour in Bahrain to honour Gulzar for his commitment and dedication to work. The best reward was Colonel Khan's personal commitment to provide gainful employment to Gulzar's son. As a compensatory measure, the management of Batsco promised to bear the expenses of a religious trip to Mecca⁸, for Gulzar and his family members. The management of Bahrain City Centre shopping complex continuously received positive feedback about Gulzar. Amazed by the magnitude of positive feedback from shoppers, and impressed with Gulzar's work ethics, the management of Bahrain City Center, gave Gulzar several cash awards, a gold medal, and certificates of appreciation.

⁷ http://www.thecoca-colacompany.com/heritage/pdf/stories/Heritage_CokeStories_newcokestories.pdf

⁸ Mecca – A holy city in the Kingdom of Saudi Arabia

External Influence and Pressure

Meanwhile many prestigious clients of Batsco approached Khan to relocate Gulzar to their sites. Several of them were willing to double Gulzar's salary and bear the financial commitment. Some employers even directly approached Gulzar with job offers. However, Gulzar, a dedicated and loyal employee was not influenced by such offers. He was happy and contented in his job as a car park guard at Bahrain City Centre. Gulzar never took undue advantage of his success. He never negotiated with management for better compensation, nor did he take up other job offers. He served the company with a great sense of dedication. Colonel Khan also never capitalised on Gulzar's fame by leveraging for higher fees from his clients.

Team Impact

Gulzar continued being a good team member. He was a role model that other team members tried to emulate. They were motivated by his professionalism, and were willing to learn from him. The management of Batsco started training other guards to adopt Gulzar's mannerisms and salutation, and have included his style as part of their training module.

Winning Characteristics

Apart from a strong sense of duty and commitment to work, Gulzar was an employee with a sense of integrity and high level of professionalism. His work ethics was undoubtedly, one of the best. When asked by local newspaper reporters about what makes him tick, Gulzar simply stated that: "No job is too small. One should do everything with a smile and look good while doing it⁹. When I wave at the mall visitors, I like to smile as well. Seeing me smile, makes them smile, parents and their children, and that pleases me."¹⁰

The winning characteristics of Gulzar were:

- Strong sense of belonging/ loyalty
- Commitment to work
- High level of work ethics/ integrity
- Perseverance/ discipline
- Humility

⁹ HalaBahrain, English Magazine-September 2009

¹⁰ *Gulf Daily News* – 10th September 2009

- Initiative
- Team work
- Positive energy
- Right attitude
- Selflessness
- Self-motivation

Gulzar is a real life example of an intrinsically motivated employee. Professionally, he played the role assigned to him to the best of his ability.

Trend-setting Customer Service

Gulzar's previous training and two decades of attending to VIPs instilled in him the sense of work ethics that made him a trendsetter in his line of work in Bahrain. He created history in Bahrain, and became the success story of Batsco. The extraordinary customer service that he demonstrated was a good example of Gulzar reaching the 'unconscious competence' learning stage, 'where he does what he does, without his knowing he is doing it'. The trend-setting, unique salutation of Gulzar, which came naturally to him, created warm waves of loyalty among the mall visitors/ customers. His heartwarming customer service is a true example of how, one person's initiative can create customer delight that may surpass years of university education and grand marketing strategies. The word-of-mouth advertising that Gulzar commanded can be compared to what some of the best brands found in the market offer.

CONCLUSION

Gulzar's case lays emphasis on the fact that customers are always in need of something innovative, be it a tangible product or an intangible service such as that offered by Gulzar. Customer loyalty can be gained not only through brand image, but also from heartwarming customer service. There are a few key lessons which can be learnt from Gulzar's success story: there is no job small or big; all that is needed is that it is done with honesty, pride, devotion and dedication. It can bring respect, fame, success and good name. One honest gesture is more valuable and will have far reaching impact than huge amounts spent on advertisements. **A brand image can capture market share, but a genuine smile can capture mind share.** What is important for the customer is not just the transaction, but also the treatment. Gulzar made every single mall visitor who crossed his path feel that he/she is the most important person. **These are the lessons, one can learn from him.**

Discussion Questions

- Q1. Comment on Gulzar's work ethics and service orientation.
- Q2. Assess Colonel Khan's role and contribution in Gulzar's success.
- Q3. Critically evaluate if Gulzar's success was a stumbling block or, a stepping stone to his career advancement.
- Q4. Analyse the impact, both positive and negative, that Gulzar's success could have had on other team members.
- Q5. Differentiate between customer satisfaction and customer delight as perceived by the visitors to the Mall where Gulzar was on duty.



Case Study 2 Which Precedes? Competition or Cooperation?

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Abstract: This case study illustrates the issues related to team dynamics and why some teams fail to perform. It is the story of a motivated and competent marketing executive working in a bank, who excelled in her job until she was assigned to work in a team with two other persons. Initially the team worked well. However, when one member of the team was assigned some independent responsibilities from the branch manager of the bank, signs of team disintegration emerged and competition rather than cooperation dictated the relationship. This case provides lessons on behavioural issues while working in a team, the need for careful selection of team members, adequate support from the top management to the team, and some common management mistakes that create problems in team work.

INTRODUCTION

There were no other customers to attend for the day. It is 5:30 p.m. in the office and everybody is preparing to go home. However, Aznida is still working at the Honda car showroom (her client) as she decides not to rush back to her office, Mentari Bank Berhad. She knows that it will take an hour to arrive at her office though the office is not far from the showroom. Walking slowly towards her car, her mind contemplates over the issues she is currently facing with her team members and one of her best sales agents in this showroom.

Aznida is a marketing executive in Mentari Bank Berhad, one of the leading banks in the country. A graduate in Islamic banking and finance from a local university, she has excellent academic records. She was actually calculating her achievements to

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date and the strategy to achieve the monthly target assigned to her which is RM (Ringgit Malaysia) 5 million (USD = 1.5 million approx) per month. It was already the middle of the month but her figure was still below RM3 million. She knew she really needed a good strategy in order to achieve her target for the month. She also knew it well that she needed good support from her team members to achieve the target and unless the support was forthcoming, she would not be able to make it alone. And even if she managed to achieve it in this month, she was not sure about the rest of the financial year—another eight months into the year.

Aznida had performed well as a marketing executive in Mentari Bank Berhad. On completion of her first financial year, she was rewarded with the highest bonus – a rate equal to that earned by Ms. Noreen, the best Marketing Executive in the branch. Even though she was relatively new, she succeeded in meeting the given monthly target and even exceeded it several times.

She started her career in Mentari Bank Berhad a year ago as a processing executive. Even before completing the probation period of six months, she and one another staff Mr. Fitri, were recommended by their bosses to be considered for permanent staff status. They were the junior-most candidates for this selection interview. Candidates from other branches had spent more time with the bank, some as many as three years on probation or contract appointments. Aznida and Fitri attained permanent status on their sixth month of service in the company and this achievement was purely based on their achievement. The branch where they worked was highly regarded by headquarters as it had consistently being the best performer in motor financing for years. Their contribution was more than a quarter of the total motor financing sales as a whole for the bank.

FROM PROCESSING TO MARKETING

In the second month of her appointment as a permanent staff, Mr. Hazry, the branch manager had instructed Ms Noreen (the best Marketing Executive in the branch) to train Aznida on various aspects of marketing. In the first two months, Aznida had to undergo training in marketing on alternate days as well as carry out her duties in processing loan applications at the same time. From the third month, she was assigned the responsibilities of a marketing executive where she was required to serve her own car dealers. She was also given her own target to achieve. From then, her daily routine changed. Aznida spent more time outside the office with car dealers at a few locations that included Naza Kia and Honda motors located at Puchong, Petaling Jaya and Taman Tun Dr. Ismail (TTDI). Besides marketing, she was needed to undertake site visits and assist customers in signing agreements. Once in a while, she would still help in processing loan applications in the office, especially for urgent cases. Aznida found that doing marketing was fun because she had the opportunity to meet a lot of people and she also learned much about customer service. She was quite optimistic of achieving the target given by the branch manager and at the same time she was keen to build and maintain good rapport with the sales people involved in car dealers. It was

not an easy task to be an intermediary. She needed to take care of both the parties: the interests of her own company, her paymaster on one hand and the car dealers on the other, who gave business to her company. Much of the time, Aznida enjoyed her job though at times she found it quite tiring.

Aznida knew too well that achieving the target allocated to her was not simply not due to her own performance. It depended so much on the cooperation of processing officers and processing clerks. They were the one who did the credit checking of the customers and made recommendations for loan approval. It was an important step before loan disbursement. On submitting a loan application case from the car dealer, any of the processing clerks will do a random credit check and the processing officer would do the processing, included opening a customer's file for each case, analysing the customer's financial credit position, making calls or appointments to get the supporting documents and details of their customers and finally recommending loan approval. Efficiency in processing was a critical determinant that ensured a more frequent flow of submissions to the bank. A rapid submission rate could be considered as a competitive advantage to Mentari Bank Berhad, together with the quality of customer service. For the bank, the car salesmen were customers of the company. They were the ones who would influence the car buyer to choose the financing company for the car loan and the salesman was the one who would hand over the application to the financing company. Hence, fast loan approvals and good rapport between the salesman and bank marketing executive was very important to ensure consistent loan application submissions to the bank.

Usually on the 15th of each month, Aznida would achieve the target of RM 3 million disbursements. But now she had problems achieving it. She believed it was the consequence of last month's issue with Mr. Lim. He was the senior-most salesman at the Honda showroom in TTDI and after that 'issue' refused to submit any loan applications to Aznida for that month. Previously, Mr Lim, who was the top salesman at Honda TTDI, was the major contributor to Aznida's disbursement figures. Though Aznida also received loan applications from other car dealers their applications would sometimes be rejected due to customers' poor credit records. However, it was always a different story with Mr. Lim who consistently offered quality customers. Obviously, it had a high impact on Aznida achieving her target when Mr. Lim did not submit any loan applications to her.

Mr. Lim, a 58-year old Chinese man, had trust in Aznida and had a good rapport with her for the past one year. Fast approvals had been the key competitive advantage that Mentari Bank Berhad offered and Aznida managed to handle it efficiently. As for Mr. Lim, fast approvals from a finance company (the bank) would make his job easier and ensure a more rapid turnover. Once the loan is approved, he would get the car allocation for his customers on the list. Mr. Lim had been in the industry for almost thirty years and had maintained a good reputation all these years. Given his long experience, he was astutely aware that customer trust and satisfaction in his service began at the point of loan approval and handing over of the car to the customer. He

earnestly took care of these important issues as it resulted in an increased customer base. Most of his customers came from satisfied customer referrals who were happy with Mr. Lim's service. All this while, Mr. Lim's loan application submissions would be approved in a day regardless of whether it was approval at branch, regional or headquarters level. Other banks would normally take at least two working days and it would take a longer time if approval from headquarters was required.

'ISSUE' WITH MR LIM

Mr. Lim had an issue with Aznida last month. It started when Mr. Lim submitted his customer's loan application and did not get the approval within a day while the car had been allocated and ready to be delivered to the customers. The loan request dragged for a week and the undertaking letter was not released by the bank for the loan approval. The late approval developed into an issue last month when Aznida told Lim that the delay was largely caused by the applicant's bad credit record and that the bank felt that the commitment on their part was too high. The bank needed extra supporting documents from the applicant which were slow in coming. Aznida explained that the delay was not on the part of the bank, rather it was the applicant's fault for he had delayed submission of the supporting documents. What actually made Lim angry was that the applicant had cancelled the booking order and had requested for a refund of his booking fee. The cancellation had reduced his commission by RM 1,500 for that particular month and most importantly, he felt that he had lost the customer's trust. The customer requested for a refund after claiming that Mr. Lim had failed to manage his loan approval expeditiously.

Working in a Team

As for Aznida, her poor performance in achieving the given target was not due to the previous month's issue with Mr. Lim. It actually began three months ago when the Assistant Branch Manager, Mr. Fendi, had introduced a new strategy for the new financial year plan in order to achieve the branch target. The target was increased from RM 21 million to RM 25 million. Mr. Fendi had grouped the marketing section staff into four teams. Each team now consisted of one marketing executive, one processing officer and a processing clerk. Each team was led by the marketing executive and each one was assigned specific car dealers to deal with for all issues including marketing, loan processing, and disbursement. Mr. Fendi believed that the team work would further improve efficiency. Rozila and Stephany were the processing executive and processing clerk respectively in Aznida's team. With the new team assignment, they needed to work together to achieve their team target of RM5 million per month.

Stephany was a 28-year-old girl of Indian origin. She had served the company for the past eight years. She was the most experienced team member in Aznida's team. A very calm person, she managed to complete her job on time. However, at times she experienced work problems including absenteeism because of her domestic problems.

The other team member was Ms. Rozila. She had a bachelor degree in public administration from a local university. In terms of educational qualification she was better qualified than the others in similar job positions in the three teams. Furthermore she was older than Aznida and was on contract which was subject to annual renewal.

With the new team structure, Aznida made it a routine to have a short discussion with her teammates before she went out on her marketing trips. She shared what she was going to do on that day including her route for marketing, site visits and appointments with customers either to collect documents or for signing of agreements. During the short discussion, Rozila and Stephany would update her regarding the applicants' loan approval status and would suggest to Aznida to include other appointments for the day if the applications were located on the same route that she had planned. Everything went smoothly in the first month. The team achieved their target of RM5 million. But this did not happen in the following two months. And with the current progress, Aznida believed that her team would not make it for the fourth month as well. Aznida wondered why with the implementation of the new team structure, her performance had become so poor. The team structure introduced by the branch manager was seemingly not working in her case.

Rozila was well aware of her team's current performance. Yet she did not adhere to Aznida's instruction. She seemed to have an attitude problem. She would not recognize Aznida as her team leader, as she believed she was equally qualified and thought it was not necessary for her to commit herself to team efforts. Besides being assigned to do processing work in Aznida's team, Rozila had special tasks assigned to her directly by the branch manager such as having to attend a used car dealer, Key Motors Sdn. Bhd. Actually no Marketing Executive had been assigned to visit that dealer because Mr Fendi, the branch manager, claimed that only half of Key Motor's customers had a good credit track record. Usually, the salesman of Key Motors would come to the bank or just fax over the purchase order to request for a loan approval. The salesman concerned would later liaise directly with Rozila. As for Rozila she was comfortable with processing Key Motor's cases as she perceived the task as giving her the opportunity to prove her performance by reporting directly to the boss and possibly be considered for a permanent position in the bank. While handling cases from Key Motors, she would feel that she was handling her own team. In processing the loan application, Stephany would also get involved in Key Motor's cases as she had to do the credit checking on all purchase orders passed on by Rozila including those from Key Motors. All the disbursement figures for Key Motors would be reported directly to the branch manager and it made Rozila feel that she was important. That resulted in a situation with Rozila giving priority to Key Motor's cases and ignoring several other urgent cases given by Aznida.

Aznida believed that Rozila should give priority to the car dealer that she was serving and not Key Motors, yet she avoided a direct confrontation with her on this issue. She noted that Key Motors was contributing only an average of 4% of disbursement figures even though Rozila had processed a large number of files. This

was because the loan amounts were just small and half of Key Motors cases were rejected due to poor credit records of the applicants. Aznida thought it was a waste of time focusing on work that did not yield sufficient returns. She was of the opinion that her team should focus on better performing dealers like Honda of TTDI because they referred quality customers with high end deals of no less than RM 100,000. Aznida believed that if her team worked on her strategy, they could achieve the given target.

Aznida contemplated on how to get the figures going. She knew that she needed to convince Rozila and Stephany to work according to her plans. Aznida was also thinking about a solution to regain Mr. Lim's trust as soon as possible because Mr. Lim had very strong influence on others sales people. She feared other sales people would start avoiding loan application submissions to her. She was in deep thought as she did not know what to do.

Discussion Questions

- Q1. What management concepts can be found in this case?
- Q2. What caused the poor performance of Aznida and her team?
- Q3. What would you suggest to Aznida to overcome the problem?



Case Study 3 Mamad's Kadio Calculator

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MARDI

Abstract: Mamad Mohamed Holdings Berhad began its retailing journey in Kota Bahru in 1957. Over these 50 years, Mamad Holdings had diversified its business into five major categories and had achieved success. Moreover, through its 22 outlets, Mamad wanted to achieve leadership by offering a strategy of 'everyday-low-pricing' in retail business. But the firm's strategy has not worked of late. The company is facing a sales decline in electronic goods, especially for its own branded calculator 'Kadio'. Decreasing sales, an increased rate of customer complaints and a huge number of returned 'Kadio' items has become a problem for Dato' Ameer Ali, Managing Director of Mamad. In a move to resolve poor sales, he decided to request his nephew, Reza Bin Murad Ali to tackle the problem by 30 April 2009. That date was set as the cut-off because on 30 April, Mamad's contract with his Chinese supplier for Kadio will come to an end and it will provide the opportunity for Mamad to contract with new suppliers. Taking into consideration the whole picture, Reza is now contemplating, whether (i) to maintain the status quo strategy, (ii) to drop the calculator item from the electrical line completely, (iii) to offer only high priced calculators, (iv) to change to another supplier, or (v) to change his current promotional strategy.

MAMAD'S KADIO CALCULATOR

In March 2008, when Reza bin Murad Ali begun his first day as the Marketing Manager in the Kajang branch in Malaysia, things did not look good. The company's customer service department was facing numerous customer problems almost every day, especially with regard electronic goods. Among the 1788 customer complaints, 990 were about electrical items and 630 were about calculators. Furthermore, in 2008, 15% of the goods purchased were returned. Of this, 10% was electronic items with 7% of this figure being calculators. Shockingly, the figures showed that of the 7% calculator returns, 6.9% was Kadio. The sales report showed that sales of Kadio had

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been decreasing over the last two years. In the year 2006, Kadio had generated an increase of 5.45% sales whereas in 2007 the trend decreased to 1.15% and in the last year, the sales decreased to 4.6% (see Table 1). This was cause for grave concern and this caused Dato' Haji Ameer Ali, the Managing Director of Mamad to request his nephew, Reza Bin Murad Ali, the marketing manager who had been serving at Mamad's different branches over 7 years, to identify and solve the problems in relation to the calculator at Mamad, Kajang by 30 April 2009.

As electrical items had been generating 24% of the profit and the calculator alone generated 8.8% of the gross profit for Mamad's product lines as a whole, he had to think seriously about this issue. Moreover, the calculator, a brick game and a hair trimmer were the fast moving items (year round frequent sell) of Mamad compared to the other electrical goods. The contract with the supplier for the local brand of the calculator would expire on 30 April 2009. Hence, Letchmy Ganesam (or n??), the administrative executive had advised him to rethink whether they needed to change the present supplier or to renew the contract for the next year. But Reza had decided to focus on investigating and understanding whether Mamad's promotional strategies were sufficient and satisfactory to result in an increase in electric item sales, or whether Mamad would need to drop the calculator from the electrical product line as a whole or to offer customers only high quality calculators that had a higher price.

Mamad Mohamed Holdings Berhad

Two family members Tuan Mamad Mohamed Gulam Hussain and his wife Puan Roshan began the business of Mamad Mohamed Holdings Berhad in Kota Bahru in 1957 by selling toys which they bought from the neighbouring country, Thailand. Their son Tuan Murad and his family opened the second outlet in 1979 at Jalan Kampung Cina. After 29 years, the third branch was opened in the Klang Valley by Dato' Haji Ameer Ali in Bangunan Selangor Mansion, Jalan Medan Bunus. It was their first branch in the Klang Valley. In the 1990s, the business was initially located at No. 54 Jalan Masjid India (Pasaraya JMI) with the help of their uncle and aunt, Tuan Ahimmat and Puan Nadiya. The business grew and expanded with the decision to purchase a new building as the headquarters, the Wisma Mamad at Jalan Masjid India.

SALES AND BUSINESS STRATEGIES OF MAMAD

At the very beginning (1957), Mamad's selling strategy was mainly pushing sales i.e. foot-in-the-door strategy. On 1970, Dato Amir Ali introduced the new Wall Mart concept (large scale wholesaling) into Mamad. After introducing this concept (13 years after the launch of the company), Mamad began to receive very good response from his customers. At present, headquartered at Kuala Lumpur, this company has a chain of 22 stores across Malaysia offering a huge assortment of low-cost items. Taking its vision as 'the leading wholesale market in Malaysia' (see Exhibit 1) Mamad had implemented several electronic workflows among all its branches using Microsoft® Windows® SharePoint® Services to speed up communications and reduce errors.

Table 1. Mamad, Kajang branch’s profit and sales of different branded calculators from the year 2006-2008.

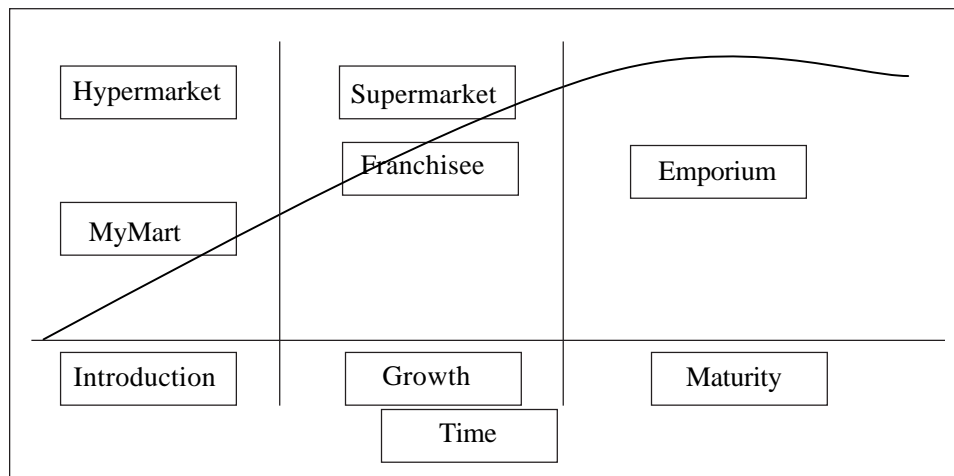
Product No.	Description	Profits and sales per year					
		2006		2007		2008	
		Sales (Pieces)	Profit (RM)	Sales (Pieces)	Profit (RM)	Sales (Pieces)	Profit (RM)
0095821	Kadio 8 Digit Calculator KD-8802A	212	782.28	169	623.61	155	571.95
0148916	Canon Desktop Calculator 8D LS-88HIII	239	430.20	249	448.20	247	444.60
0116473	Kadio 8 Digit Calculator KD-8138A	353	1,171.96	337	1,118.84	289	959.48
0002869	Citizen 8 Digit Desktop Calculator SDC-8150	33	102.30	38	117.80	34	105.40
2063323	Kadio Electronic Calculator 12D KD-6001	236	1,368.80	211	1,223.80	193	1,119.40
0002754	Citizen 10 DGT Desktop Calculator CT-600	59	525.10	53	471.70	48	427.20
0169169	Kadio Scientific Calculator KD-82TL	209	2,796.42	193	2,582.34	186	2,488.68
0006142	Casio Calculator FX-570MS Scientific	561	2,075.70	575	2,127.50	578	2,138.60
0059462	Tinday 12 Digit Calculator KC-8017/T-8017	168	715.68	163	694.38	156	446.16
0115909	Citizen Calculator Electronic CT-666	39	191.10	35	171.50	22	107.80
		Total= 2109 pieces	Total= 10,159.4 RM	Total= 2023 pieces	Total= 9,579.9 RM	Total= 1908 pieces	Total= 8,809.7 RM

Source: Yearly Sales Report and Profit and Loss Statement of Mamad’s calculators for the years 2006, 2007 and 2008 at Kajang branch.

Exhibit 1: Mamad's vision, mission and slogan

Vision	To be the leading wholesale market in Malaysia.
Mission	To be the leading local wholesale and retail company by providing the best value for money for the best assortment of goods, by providing service to customers and by striving for excellence. A secondary mission was to inspire more Malaysians to open outlets with our own proven success formula.
Slogan	"Why pay more, buy at wholesale price."

Source: Monthly Bulletin, Mamad, May 2008

Figure 1: Product life cycle stages of Mamad's businesses

Source: Interview with Reza bin Murad Ali on 8 February 2009, Marketing Manager, Kajang Branch, Mamad

Over the 50 years of success, Mamad had diversified its business into five major types (see Appendix 1). Mamad had as its core strategy 'learning from failures'. On the basis of 'product life cycle' (Figure 1), Mamad's 5 types of businesses can be classified as follows:

MAMAD'S PRODUCT MARKETING STRATEGIES

The major overriding strategy of Mamad was to gain leadership in the market by offering comparatively low prices to its customers (see Appendices 2 and 3). Therefore, Mamad's emphasis was on its pricing and subsequently on product, place and promotion.

Mamad's Product Lines

Mamad mainly sells 8 categories of products: electrical item (see Appendix 4 for the list of electrical items offered by Mamad), CD and VCD, stationary items, Muslim-related items, company items (i.e. toiletries and sundries), clothing, dry and wet food and others (like, brooch, hair band, back clip, wallets, hair comb, hand bags, tie pin, etc.). Wet foods are available only in the supermarket and hypermarket.

Products' Seasonality

Mamad's products enjoy year-round demand. But Reza notified us that during the time of Hari Raya (Eid-ul-fitre), Deepavali and 'back-to-the-school' (end of the year), there is usually increased demand for goods. More specifically, from September to January each year is the time when good profits are made because there is a high demand for goods with all branches earning nearly double the profit compared to the rest of the year). Meanwhile from the period of February to August each year, demand remains more or less the same with no visible gross fluctuation.

KADIO AND OTHER CALCULATORS OFFERED BY MAMAD

Among the eight broad categories of product lines, calculators fall under the electrical category. Within this line, Reza has identified that the calculator, hair trimmer and brick games are the fast moving items i.e., these three have been enjoying year-round demand and sales from its customers. Unfortunately, most customer complaints relate to electrical items especially Mamad's own branded calculator, 'Kadio'.

Mamad essentially sells two types of calculators. One is supplied by local suppliers and the other is supplied by foreign suppliers (especially from China). The price offered by the Chinese suppliers to Mamad is very low while the local suppliers ask for a higher price for the calculator. A competitive product analysis between Mamad's Kadio and that of the locally supplied calculators is shown in Exhibit 2.

Mamad is able to generate a higher contribution margin (see Table 2 and Table 3) for the calculator supplied by the foreign suppliers rather than the local ones. Other than the Kadio, it has Tinday which is manufactured and supplied by foreigners while Canon, Citizen and Casio are supplied by local suppliers. Mamad's Kajang branch sells mainly 4 versions of Kadio, Tinday, a version of Canon and Casio, and three versions of Citizen. In terms of profit, Kadio is regarded as the most profitable because this brand contributes the largest margin. Also, the demand for this brand is comparatively high among its end users (see Table 4). Though the contribution margin for Kadio is high, this product has become a problem child for Mamad. There is endless complaints from the customers about the 'Kadio' calculator product line. Their main problems relate to the poor battery and the problematic button of the calculator.

Exhibit 2: Competitive product analysis between Mamad's own branded calculator and the locally supplied calculator

	Mamad's own branded calculator (Kadio)	Locally supplied calculator
Product		
Quality	Low	High
Benefits	Low	High
Target segment		
Who	Lower and middle class people	Lower and middle class people
When	Year-round	Year-round
Why	Economic value	Quality
Distribution method	Through Mydin's retail stores	Through Mamad's retail stores
Promotion strategy	Advertisements in local newspapers and distribution of leaflets	Advertisements in local newspapers and distribution of leaflets
Price	Comparatively cheap	Comparatively high

Source: Customer Database Report, Mamad, 2008

Competition

Reza astutely recognised that the main competition among the retailers in Malaysia is price oriented. This is because when one retailer offers a comparatively low price for a particular product, then other companies also attempt to offer a similar price. But from this perspective, Mamad has two advantages i.e. his company essentially buys its products from overseas where the products are obtained at a comparatively lower price. Again, as Mamad has been buying 'huge' quantities of these products, it could offer its customers a very low (competitive) price compared to its competitors. For this reason, lower and middle class peoples' preferences have always remained a major emphasis of Mamad.

One recent market survey on the basis of sales conducted by Malaysian Retailer Association in December, 2008, identified that the percentage of independent retail stores like Mamad constitute 17% of total stores (see Table 5). Among these 17% independent retail stores, there are few other retailer companies who are competing with each other. Mamad's position in the Malaysian retail market was essentially as a challenger (Exhibit 3).

Table 2: Calculators sold at Mamad: costs, prices and mark-up

Product No.	Description	Cost price	Price (1)		Price (2)		Price (3)	
			Price	%	Price	%	Price	%
0095821	Kadio 8 Digit Calculator KD-8802A	03.21	06.90	53.47	04.50	28.66	04.80	33.12
0148916	Canon Desktop Calculator 8D LS-88HIII	08.10	09.90	18.18	09.00	10.00	09.50	14.73
0116473	Kadio 8 Digit Calculator KD-8138A	03.58	06.90	48.11	05.50	34.90	06.00	40.33
0002869	Citizen 8 Digit Desktop Calculator SDC-8150	11.80	14.90	00.67	12.50	05.60	13.00	09.23
2063323	Kadio Electronic Calculator 12D KD-6001	06.10	11.90	48.74	8.80	30.68	10.00	39.00
0002754	Citizen 10 DGT Desktop Calculator CT-600 24.00		32.90	27.05	28.00	28.57	29.00	17.24
0169169	Kadio Scientific Calculator KD-82TL	06.52	19.90	67.23	15.00	56.53	17.00	61.65
0006142	Casio Calculator FX-570MS Scientific	30.20	33.90	10.91	33.00	08.48	33.50	09.85
0059462	Tinday 12 Digit Calculator KC-8017/T-8017	05.64	09.90	43.03	06.75	16.44	08.50	33.64
0115909	Citizen Calculator Electronic CT-666 25.00		29.90	16.38	26.00	03.85	27.00	07.41

Source: Yearly cost and price statement of Mamad's calculator, 2008

Table 3: Calculator sales report from 1 March 2008 to 28 February 2009

Product No.	Description	Total units sold	Price (per unit)	Total quantity
0095821	Kadio 8 Digit Calculator KD-8802A	155	6.90	1,069.50
0148916	Canon Desktop Calculator 8DLS-88HIII	247	9.90	2,445.30
0116473	Kadio 8 Digit Calculator KD-8138A	289	6.90	1,994.10
0002869	Citizen 8 Digit Desktop Calculator SDC-8150	34	14.90	506.60
2063323	Kadio Electronic Calculator 12D KD-6001	193	11.90	2,296.70
0002754	Citizen 10 DGT Desktop Calculator CT-600	48	32.90	1,579.20
0169169	Kadio Scientific Calculator KD-82TL	186	19.90	3,701.40
0006142	Casio Calculator FX-570MS Scientific	578	33.90	19,594.20
0059462	Tinday 12 Digit Calculator KC-8017/T-8017	156	8.50	1,326
0115909	Citizen Calculator Electronic CT-666	22	29.90	657.80

Source: Annual sales report of Mamad's calculator of Kajang branch, 2009

Table 4: Percentage of sales of Mamad’s calculators among different categories of customers

Overseas calculators		Local calculators	
Types of customers	% of sales (calculator)	Types of customers	% of sales (calculator)
Price 1: End users	45	Price 1: End users	85
Price 2: Wholesalers	45	Price 2: Wholesalers	10
Price 3: Special wholesalers	10	Price 3: Special wholesalers	5

Source: Customer Database Report, 2008

Table 5: Percentage of the market share of retail stores in Malaysia in December, 2008

Categories of retailers in Malaysia	Percentage of market share (by sales)
Foreign retail stores	17%
Independent retail stores	17%
Provision stores (mini markets)	50%
Convenience stores and others	16%
Total	100%

Source: Survey conducted by Malaysian Retailer Association, December, 2008

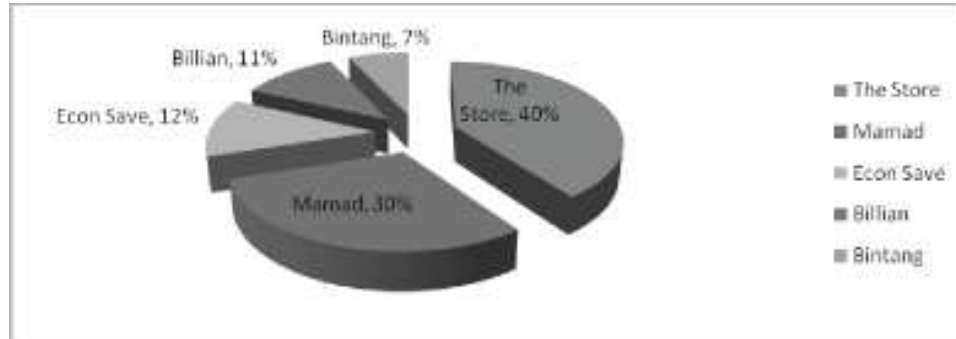
Percentage of market share enjoyed by a few leading independent retailers is shown in Exhibit 3.

But for calculators at Kajang, in terms of quantity of sales, Mamad’s main competitor is Cziplee Books and Stationery while in terms of varieties and price competition, its main competitor is Juvana Electric Shop at Parkson. The comparative prices of Cziplee, Mamad, Billian Juvana and Kuan, all of whom constitute ‘independent stores’ are shown in Table 6.

Suppliers

Usually Mamad buys the products from its suppliers in huge quantities and then repackages for sales. Sometimes Mamad does undertake a private branding exercise for a few of its products. For example, Mamad has its own branded calculator, the Kadio which is made by a company in China solely for Mamad. Mamad maintains a very good relationship with its suppliers and does not usually delay payment to its

Exhibit 3: Market share of independent retailers in Malaysia



Source: Survey conducted by the Malaysian Retailers Association, December, 2008

Table 6: Comparative prices of calculators among the retail stores at Kajang

Categories of Calculator	Comparative prices of calculator					
	Mamad		Cziplee (RM)	Billian (RM)	Juvana (Parkson)	Kuan Marketing
	Local (RM)	Kadio (RM)				
Normal	09.90-32.90	06.90-11.90	24.00-39.00	07.90-34.50	16.00-38.00	15.90-29.90
Scientific	33.90	19.90	40.00-60.00	37.90-40.00	39.00-69.90	38.90-65.00

Source: Inspection at Mamad, Cziplee, Billian, Juavana (Parkson) and Kuan Marketing retail and independent stores on 7 April 2009.

suppliers. That has earned Mamad the name of *Pay-master* in the retail market. Its main sources of suppliers are:

1. Thailand
2. China
3. India
4. Bangladesh
5. Indonesia

But for electrical goods, Mamad's suppliers fall into two categories: first, China for Kadio (This is Mamad's own brand made by the Chinese supplier) and Tinday

Table 7: Codes and weights of orders to suppliers for Mamad’s calculators

No.	Code of Mamad’s overseas suppliers	% of order from all branches	Code of Mamad’s overseas suppliers	% of order from all branches
1.	R-CCA (For Kadio)	50%	TKR (For Citizen)	40%
2.	R-DNA (For Kadio)	30%	MCC (For Casio)	40%
3.	R-IIC (For Kadio & Tinday)	20%	FIRST (For Canon)	20%

Source: Interview with Reza Bin Murad Ali, Manager, Kajang Branch on 14 April 2009,

Table 8: Market segmentation of Mamad’s calculators by income

Income (RM)	percentage
Below 1,000	48%
1000-3000	33%
3000-5000	18%
5000 above	1%

Source: Customer Database Report, Mamad, 2008

calculators; second, local suppliers for Citizen, Casio and Canon. Usually Mamad places an order of 2000 units (1000 from local and 1000 from overseas) of calculator for each branch per year. For each year, this company places an order of 22,000 units from the local suppliers and remaining 22,000 from the foreign suppliers for its 22 outlets. For the last five years Mamad had been buying its own branded calculator, ‘Kadio’, from three Chinese suppliers: R-CCA, R-DNA and R-IIC (see Table 7). This company always considered more than two suppliers to assure the flow of supply for a given time period.

Mamad has fixed its target of selling 2,000 units of calculators from each of its branch per year. Till the year 2007, it could achieve its target. But in the year 2008, it failed to sell 2,000 units in most of its branches. We refer back to Table 1 which shows the diminishing trend of profit and quantity sale at Mamad, Kajang branch especially for ‘Kadio’.

Market segmentation by Mamad

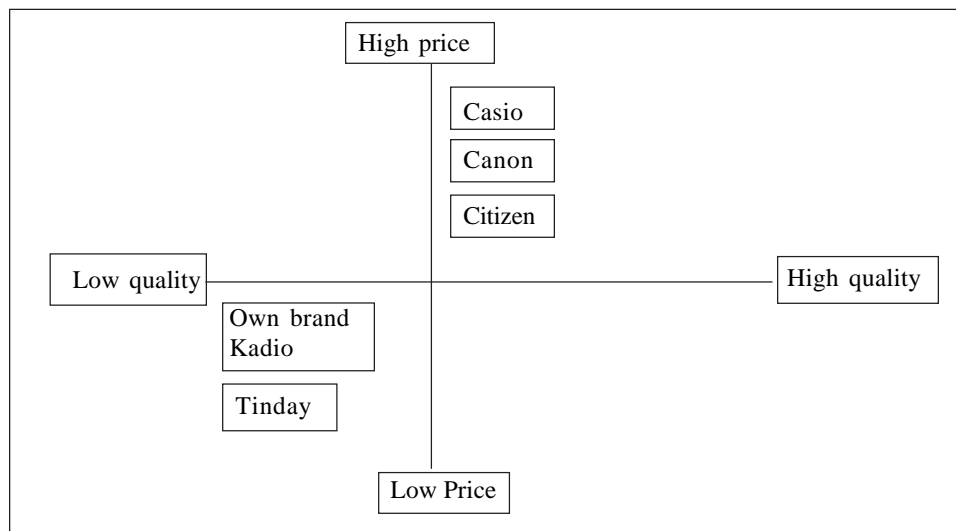
Basically, the lower and middle income people are the main customers of Mamad except for the hypermarket at Cyber Jaya. Mamad’s method of segmentation of its end user market is shown in Tables 8 and 9. Mamad’s main target groups of customers

Table 9: Market segmentation of Mamad's calculators by occupation

Occupation	Percentage
Students	40%
Common people	40%
Professionals	20%

Source: Customer data base report, Mamad, 2008

Figure 2: Perceptual map of Mamad's own branded calculator and the local supplier's calculator by price and quality. Low Quality



Source: Interview with Letchmy Ganesan on 17 March 2009, Administrative Executive, Kajang Branch, Mamad

are essentially Malay (45%) and Indian (40%) with an income range of RM 3,000 to below RM 1,000.

Though Kadio still has market demand from its customers, its position does not appear to be steady in comparison to other brands (see Figure 2).

Reza realises that as a whole, Mamad has given least emphasis to promotional activities and had been allocating a very limited budget for its promotional efforts (see Table 10). But for year 2009, it had planned to spend more and to adopt different strategies for different kinds of products (see Appendix 5) but still it had not given sufficient attention to the electrical items.

Table 10: Mamad’s promotional strategies for all kinds of goods per branch of the for year 2008

Types of promotion	Budget	How often
Advertising	100,000 (RM) per year	5 times in a year (5x RM2000)
Leaflets /Flyers	45,000 (RM) per year	3 times in a year (3x15000x1 RM)
Artists (singer/ actor/ actress)	-----	Seldom (if a new branded item is introduced)

Source: Internal Promotional Report, 2008

As the time had gone by fast and Reza had to shift to headquarters on 1 May, 2009, he was seriously thinking about the initiative he should take to resolve the Kadio problem at Mamad’s Kajang branch. He discussed several times with the Administrative Executive, Letchmy to ascertain the main problems and to seek a solution with regard to Kadio. He was thinking whether he should renew the contract with R-CCA, R-DNA and R-IIC again for Kadio or identify new suppliers or re-strategise its current marketing efforts. This is an important decision because if he makes a mistake in one product line, it might affect the reputation and image and consequently the sales and profit of Mamad as a whole.

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Appendix 1: Categories of Mamad’s business outlets

Categories of business outlets	Objective of business strategy	Product	Customer	Location	Main competitors
Emporium (Mamad wholesale)	To meet household needs (One-stop convenience).	Electrical items, cutlery, Muslim goods, goods for school use, etc.	Lower and middle class people	-Klang Valley	-Econsave -The Store -Bintang -other local mini markets
Supermarket	To sell wet goods	Vegetables, fish, fruits and cooking goods.	Lower and Middle class people	-Selayang	-Billian -Giant -Cziplee -Tesco
Small businesses acting as franchisee to Mamad	One business where the owner is an outsider and Mamad is the advisor.	Selling goods similar to Mamad and have similar work operations.	Wholesalers and retailers	-Alor Setar -Kajang, Selangor -Dungn	
MyMart	To give 24 ours service to the customers.	Similar to emporium outlets’ products.	Lower and middle income people	-Masjd India, KL-Bangsar, KL-Cheras, KL	-7-11-Kiosk
Hypermarket	To offer a large (100, 000 sq feet or more) and comfortable environment to its customers with a new policy i.e. ‘No question-return policy’.	Both emporium and supermarket goods.	Lower, middle and upper income people.	CyberJaya (on 19 August 2006).	-Giant

Source: Monthly Bulletin, Mamad, January, 2009

Appendix 2: Mamad's 4Ps strategies

Marketing mix (4Ps): Activities that Mamad follows for its 4Ps:
On the basis of
Mamad's ranking

Price	Uses different pricing strategies for special wholesalers (offers most cheap price), normal wholesalers (comparatively higher price) and for t end users (much higher).
Product	Buys huge quantities, then repackage for wholesale. For a few products, does private branding.
Place (distribution)	Mainly for sale to wholesalers, subsequently to retailers as well as to end users.
Promotion	Mostly advertising and leaflets. Sometimes use sales promotion (hire singers/ artists for a road show) to introduce any new branded items in the retail store.

Source: Interview with Letchmy Ganesam on 13 February 2009, Administrative Executive, Kajang Branch, Mamad

Appendix 3: Mamad's pricing strategies for all kinds of goods

Types of customers	Mark up
Price 1: End users	100%
Price 2: Normal wholesalers	75%
Price 3: Special wholesalers	50%

Source: Interview with Reza bin Murad Ali on 21 February 2009, Marketing Manager, Kajang Branch, Mamad.

Appendix 4: List of the Mamad's electronic items

No	Description
1	RADIO
2	TELEVISION
3	RICE COOKER
4	WATER DISPENSER
5	TOASTER
6	BLENDER
7	OVEN
8	FAN
9	IRON
10	HAIR TRIMMER
11	GAS COOKER
12	DVD PLAYER
13	ANTENA
14	REMOTE CONTROL
15	KETTLE
16	WATER FILTER
17	BULB
18	FLOURESCENT LAMP
19	EXTENSION SOCKET
20	HANDPHONE CHARGER
21	RECHARGEABLE TORCHLIGHT
22	TABLE CLOCK
23	GASS REFILL
24	HOT PLATE
25	CD CASE
26	VACUME CLEANER
27	TABLE LIGHT
28	VIDEO GAME PLAYER
29	STAND-BY LIGHT
30	ELECTRIC JUG KETTLE
31	CALCULATOR
32	JUICE EXTACTOR
33	BURNER
34	TABLE FAN
35	BRICK GAME

Appendix 5: Thematic promotional campaigns of Mamad, 2009

Thematic promotional campaigns of Mamad, 2009

March	Theme : ‘Milk & Cereal Fair’Objective: to promote cereals and dairy products. Launching of house brand “MaRasa Cereals”.Also launching of mascot “MaBEE”. Target : ChildrenActivities: Coloring contest, clowns, games, mascot appearances, balloons give-aways, cereal consumption competition, sampling, etc. Supported by over 20 suppliers. Maulidur-Rasul: For USJ, inviting MPSJ, USJ residents and Mamad staff to walk from SUMMIT to Mamad Mall. Other branches can conduct similar activities in honour of the Prophet’s birthday.
April	Theme: ‘Seafood Delights FairObjective: To promote selections of fresh market items, canned seafood and highlight ingredients for cooking seafood dishes. Secretary Week: To organize lunch for 5 winners of best message dedication (Boss to Secretary)To also include ‘What’s Cooking and Baking?’- to highlight cooking utensils, electrical kitchen appliances, household items, baking necessities, etc.Activities: Cooking demonstrations, dishes according to countries, 5 best message expressions by Bosses for Secretaries, ‘Egg-citing Easter’ – Paint Your Easter Egg, etc.
May	Theme: ‘Appreciation to Employees, Teachers & Moms’, ‘Fruits & Vegetables Fair’ & ‘Home Sweet Home’.Objective: To highlight our selections of local & imported fruits as well as fresh vegetables. For emporium, to highlight all items relating to home.Target: Housewives & House owners Labour Day, Teacher’s Day & Mother’s Day. Activities: ‘Message Dedication for Mum’ on Big TV Screen/Board, FAMA’s participation, Mother’s Day Hi-Tea & Fashion Show, Gift Hampers for sale, My Favorite Teacher contest, Cooking competition, Fruit carving demonstrations, games & activities, etc.
June	Theme: ‘Appreciation to Nurses & Dads’, ‘Meat Fair’ & ‘Hyper Volts’Objective: To emphasise all kinds of HALAL meats – fresh, frozen & canned. Also to highlight on all electrical items e.g. BBQ grill set, cooking ware, cooking utensils, etcTarget: Family and Male customers, School holidays, Nurse’s Day & Father’s Day Activities: Cooking Competition amongst Fathers, Most Dashing Father, HALAL info counter with JAKIM, Father-Son games, ‘Tear Factor’, games & activities with Fathers, Gifts Hampers for sale, Sampling activities, Karaoke Competition, etc.

Discussion Questions

- Q1. Compare the sales/ profit performance of Kadio calculators against other calculators at Mamad.
- Q2. Is there any relationship between the Kadio calculator's poor sales performance and quality?
- Q3a. Who are the competitors of Mamad's Kadio calculator at different levels?
- Q3b. How do the calculators offered by Mamad compete with the brands of other competitors?
- Q4. What is Kadio's competitive position offered to its customers on the basis of quality and price? How do the consumers of Mamad perceive Kadio's poor performance?
- Q5. Who shops more regularly at Mamad than at other retailer stores to buy calculators? Why do they buy the calculator over and over again?
- Q6. What are Mamad's competitive strengths and weaknesses within its category of competition?
- Q7. What positioning strategy is this company maintaining at present? To what extent are these strategies compatible/convincing to maintain its position?
- Q8. What promotional strategies is Mamad currently maintaining to communicate its value? How effective is Mamad's promotional efforts in expressing its service positioning? What other effective promotion strategy needs to be planned to make the product more acceptable?
- Q9. What alternative strategy would be best to solve the present decrease in sales and customer complains with regard to the problems of the calculator?



Case Study 4 Bank Muamalat: a Case Study in Islamic Management

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Abstract: In Malaysia, the promotion of the Islamic capital market sector overseas and in other Islamic markets, has been intensified, in particular through the sharing of Shariah knowledge in Islamic banking since the industry took off globally with the introduction of the Islamic Development Bank in Jeddah in 1970. In 1974, the Islamic Bank of Dubai became the first ever Islamic bank to be founded. The earliest form of Islamic banking in Malaysia can be traced to the setting up of the Perbadanan Wang Simpana Bakal-Bakal Haji, the precursor to the present-day Tabung Haji (TH). The National Steering Committee on Islamic Banks was established in July 1980 culminating in the establishment of Bank Islam Malaysia Berhad in 1983. In 1993, commercial banks, merchant banks and finance companies were allowed to offer Islamic banking products and services under the Islamic Banking Scheme (IBS). Bank Muamalat Malaysia Bhd took this opportunity to move into this industry and joined the existing Islamic banks in the country. Bank Muamalat is now one the leading banks in Malaysia. It has 46 branches, 5 service centres and an Labuan Offshore branch. At the time of data collection for this case study, the Bank had a staff strength of about 1,400 employees. Proficiency and integrity concerns are given serious thought and consideration due to increased level of competition in Islamic banking and finance in Malaysia with the opening of a number of international Islamic banks. A critical issue now is how the Bank develops and maintains its strategic position.

INTRODUCTION

Islamic banking is a broader financial management activity that is based on Islamic law or Shariah principles. Islamic banking has the same purpose as conventional banking except that it operates in accordance with the rules of Shariah known as Fiqh al-Muamalat (Islamic rules on transactions) to avoid the exploitative element of the interest (riba) system. The basic principle of Islamic banking is the sharing of profit and loss and the prohibition of riba. Amongst the common Islamic concepts used in Islamic banking are profit sharing (Mudharabah), safekeeping (Wadiah), joint venture

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(Musharakah), cost-plus (Murabahah), diminishing partnership (Musharikah Mutanakisah) and leasing (Ijarah).

Historically, Islamic banking took off globally towards the end of the century with the introduction of the Islamic Development Bank in Jeddah in 1970. In 1974 with the Islamic Bank of Dubai being the first ever Islamic bank to be launched. The earliest form of Islamic banking in Malaysia can be traced to the setting up of the Perbadanan Wang Simpanan Bakal-Bakal Haji (Pilgrimage Fund), the precursor to the present-day Tabung Haji. The National Steering Committee on Islamic Bank was established in July 1980 culminating in the establishment of Bank Islam Malaysia Berhad in 1983. In 1993, commercial banks, merchant banks and finance companies were allowed to offer Islamic banking products and services under the Islamic Banking Scheme (IBS) in the country.

ESTABLISHMENT AND HISTORY

Bank Muamalat, which commenced operations on 1 October 1999, is a full-fledged Islamic financial institution that operates under the Islamic Banking Act (1983). It is headquartered in Kuala Lumpur and is a leading financial institution offering Shariah-based financial services and products.

Bank Muamalat Malaysia Berhad (BMMB) is the second largest full-fledged Islamic bank and is envisaged to play its role in providing Shariah-compliant banking products and services to Malaysians, irrespective of race or religious beliefs, thus contributing to the development of modern Malaysia. Bank Muamalat operates as a nation-wide network of 46 branches, 5 service centres and a Labuan Offshore branch. The Bank has a staff strength of about 1,400 employees. Its shareholders are DRB-HICOM Group, which holds 70% of the shares while Khazanah Nasional Berhad holds the remaining shares.

The Mission

The mission of the bank is “to build the bank into a modern, dynamic and strong Islamic Bank” that would play a role in providing a viable alternative to the conventional banking system and contribute to the development of modern Malaysia.

MANAGEMENT STRUCTURE

Bank Muamalat had an eminent board of directors and a Shariah Supervisory Council comprised of learned Islamic scholars. The Audit Committee oversees the financial affairs of the Bank and reports to the Board of Directors.

The management consists of the heads of the following departments:

- Treasury
- Finance
- Corporate Communications

- Company Secretarial and Legal
- Investment Banking
- Business Banking
- Information Technology
- Administration and Property
- Entrepreneur Development
- Human Resource Management
- Internal Audit
- Branch Management and Performance
- Operations
- Commercial Banking
- Credit Assessment
- Credit Supervision and Recovery
- Risk Management

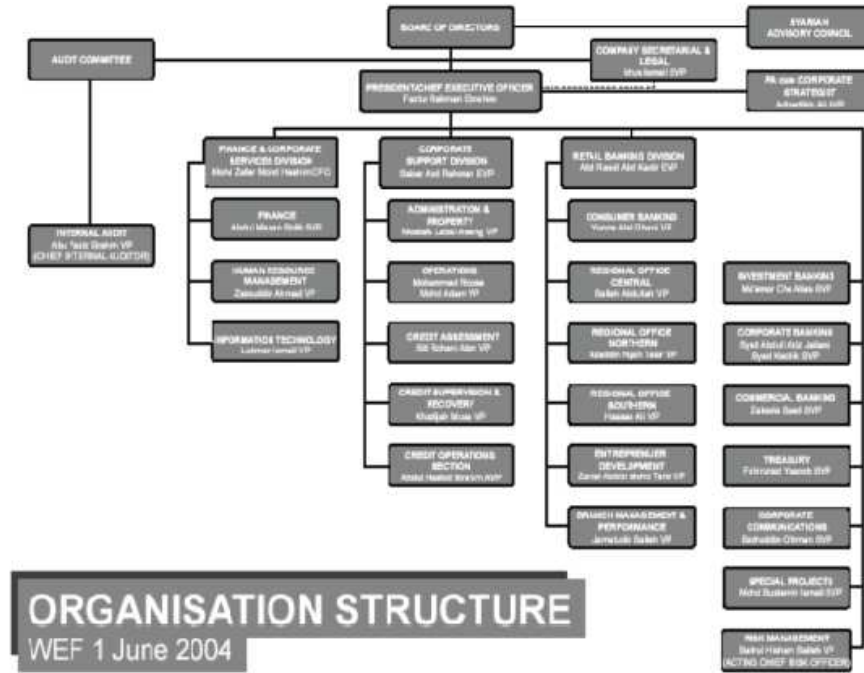
The management is further subdivided by region:: the Central, Northern, and Southern regions. Exhibit 1 shows the management structure of Bank Muamalat while Exhibit 2 shows the organisation structure.

Exhibit-1. Management structure of Bank Muamalat



Source: Company website at http://www.muamalat.com.my/index.php?pg=corporate_information&ac=16 [Retrieved 10 April 2005]

Exhibit-2. Organization structure of Bank Muamalat



Source: Company website at <http://www.muamalat.com.my/> [Retrieved 16 April 2005]

PRODUCTS AND SERVICES

Exhibit 3 provides information on the different types of products and services offered by Bank Muamalat.

MANAGEMENT OF BANK MUAMALAT

Table 1 gives the financial highlights of Bank Muamalat over the years from 2002 to 2007. Bank Muamalat, which began operations in the year 1999, had RM353 million in shareholders' funds. The total assets were worth RM6.56 billion at the end of 2002. But it succeeded in earning about RM15.64 million in profits before tax and zakat in the same year. This further rose to a total asset value of RM13,814,692 in 2007. Shareholders' fund also rose up to 739,359 million in the same year.

In terms of branches, the total number was 40 in year 2002 but grew to 48 in year 2007 against a background of only one offshore branch during the same period. This obviously does not give a good impression about its expansion strategy during the

Exhibit 3. Products and Services of Bank Muamalat

Deposit Products	Electronic banking products
Al-Wadi'ah Savings Account-I	ATM
Al-Wadi'ah Current Account-I	Autopay
Al-Mudharabah General Investment Account-I	Direct Debit
Al-Mudharabah Special Investment Account-i	Muamalat OnLine
	Touch N' Go
Trade financing products	Financing products
<i>Al-Murabahah</i> Working Capital Financing (MWCF)	BBA Home Financing
<i>Bai' Al-Dayn</i> Working Capital Financing (BWCF)	Istisna' Home Financing
Islamic Letter of Credit (ILC)	BBA Fixed Asset Financing
Islamic Accepted Bill (IAB)	Istisna' Fixed Asset Financing
Islamic Export Credit Refinancing (IECR)	Cash Line Facility (MCASH)
Islamic Foreign/Domestic Bill of Exchange Purchased (Documentary) - IFBEP (DOC)/IDBEP (DOC)	Education Financing Scheme (MEFiS)
Islamic Foreign/Domestic Bill of Exchange Purchased (Authority to Purchase) IFBEP (AP)/IDBEP (AP)	Istisna' Project Financing
<i>Al-Kafalah</i> Shipping Guarantee (SG)	Ijarah Financing
<i>Al-Kafalah</i> Letter of Guarantee (LG)	Revolving Financing (MRF)
Islamic Foreign/Domestic Inward Bill for Collection - IFIBC/IDIBC	Hire Purchase (HP)
Islamic Foreign/Domestic Outward Bill for Collection – IFOBC/IDOBC	
Treasury products	Other services
Foreign exchange	Safe Deposit Box
Special Investment Account (SIA) /Islamic Repo	Protection
Investments and Trading in Islamic Securities	

Source: Company website at <http://www.muamalat.com.my/> [Retrieved 16 April 2005]

Table 1. Financial Highlights and vital statistics of Bank Muamalat (2002-2007)

	2002(RM'000)	2003(RM'000)	2004(RM'000)	2005(RM'000)	2006(RM'000)	2007(RM'000)
Total shareholders' fund	349,434	353,020	507,564	523,683	713,958	739,359
Profit Before taxation and zakat	15,640	7,267	26,819	41,251	104,778	65,542
Profit after taxation and zakat	9,617	3,586	28,720	32,328	73,889	49,442
Total assets	6,565,769	7,315,942	8,070,831	10,269,647	13,464,241	13,814,692
Total deposits	6,029,351	6,846,533	7,455,010	9,373,971	12,195,372	12,180,247
Total Financing	2,312,405	2,270,795	2,887,415	4,154,021	5,373,343	5,870,585
No. of branches	40	40	41	42	43	48
No. of service centres	6	7	7	6	6	3
No. of offshore branches/Labuan	1	1	1	1	1	1
No. of staff	1,179	1,190	1,241	1,145	1,380	1,454

Source: <http://www.muamalat.com.my/index.php?ch=5&pg=22&ac=422&bb=233> [Retrieved 11 April 2009]

period. With regard to service centres, there were 6 to 7 such centres in 2002-03 which were further reduced to merely 3 centres in 2007.

PUTTING INFORMATION TECHNOLOGY TO WORK

Bank Muamalat allocated RM17 million for investment in information technology (IT) systems in line with its business plans for 2000. The allocation included RM2.25 million to finance the implementation of a Microsoft Digital Nervous System (DNS). With the DNS, the Bank is expected to operate an effective and efficient information sharing and communication system across the organisation, thus enabling it to respond and react more rapidly to customer feedback. Computer Systems Advisers (M) Berhad (CSAM) was appointed to implement the system.

Under this project, the Bank would have access to the latest versions of Microsoft's software and technology at lower costs, encompassing the design, development, implementation and delivery of knowledge management applications. The Bank also participated in the Microsoft Business Intelligence Premier Partner Program, a component of its DNS initiative where CSAM worked closely with Microsoft and the Bank in providing consultation, implementation services, training and knowledge management application development to streamline the Bank's business operations.

The DNS project marked a milestone in the adoption of IT as an enabling tool at Bank Muamalat as it was expected to enhance the efficiency of the Bank's business operations, improve productivity through better collaboration, and signify the move towards a paperless office.

The Bank's head of IT department, Norafandi Mokhtar, said implementation of the IT initiative was done in stages, starting with Web publishing and an intranet project. Then, BMMB was likely to proceed with other modules such as electronic library and human resource management, he said. During the interview Bank Muamalat, according to Norafandi, started with the business intelligence component of the DNS system as part of its data warehouse project that was developed as a financing tracking system to allow management to keep track of financing. Customer relationship management will be overhauled with the inclusion of a call center. This will be bank's next project.¹

In 2001, Bank Muamalat installed a credit risk assessment system at all its branches. The system was developed by Moody's Risk Management Services, Inc and was installed by the systems' licensed vendor, Orinet Business Systems (M) Sdn Bhd. The Bank's chief executive officer Mohd Shukri Hussin, states that with the implementation

¹ "BMMB allocated RM17m for IT systems" *New Straits Times (Malaysia)*, 11 September 2000, as disclosed in the discussion.

² "Moody's: Malaysia can withstand US economic slowdown" *New Straits Times (Malaysia)*, 21 March 2001

of the credit risk assessment system, the Bank could look forward to minimising its exposure to credit risk and lowering non-performing loans.²

FUTURE PLANS AND PROSPECTS

As stated in the Directors' statement to the Annual Report 2003, Bank Muamalat has been facing a challenging environment over the last few years. There is a clear need to take a relook at its financial & operational position to formulate new strategies. It opted for a niche strategy of focusing on two growth sectors of (i) retail and consumer financing, and (ii) Islamic capital market. It aimed to build up its portfolio in retail and consumer financing to 55 % in 2004 and 60% by 2005. This would call for revamping of branches and its head office into specialised units backed by a sturdy information technology infrastructure. The bank anticipated that the change/transformation process would involve building staff competencies in the area of processes, information technology, and sales and marketing.

The Bank also targeted more than RM50 million in annual income a year from investment banking operations from 2005 onwards. It was refocusing its consumer banking operations, a division that is now full-fledged with competitive products, including personal loans. Bank Muamalat hoped to increase its consumer financing to RM1 billion from RM750 million in 2003. The Bank had also signed a strategic alliance with MNI Takaful (a local Islamic Insurance company) to enable it to sell insurance products at all of its branches. In addition, the Bank was looking at alliances to sell unit trusts and Islamic financial products.³

In the area of Islamic capital market, the Bank planned to deepen its involvement. The Investment Banking Department of the Bank had been revamped and experienced banking professionals were recruited. The Bank could foresee expansion in the area of Islamic capital market and that the bank it could play an effective role as mediators and managers. That could boost the Bank's fee-based income.

Apart from building a niche for itself in these two areas, the Bank planned to continue concentrating on its business financing activities and advancement of the small and medium enterprises through training and advisory services. Faced with a challenging environment, the Bank realises that building up human resource capabilities is vital to its continued growth. It especially needs to focus on its new work culture of professionalism to meet the requirements of the specialised functions that it wishes to take on in the future. As the products of Islamic banks are assumed to be comparable to those of the conventional banks, Bank Muamalat could foresee a situation where it should be able to withstand the vagaries of competition for Islamic banking products in future.

Bank Muamalat was the second-mover in the Islamic banking industry in Malaysia and yet it was not ready to face the tough times ahead. Along with its more-profitable

³ "Khazanah may reduce stake in Bank Muamalat", *Business Times (Malaysia)*, 9 August 2003

partner in Islamic banking, Bank Islam, Bank Muamalat was also faced with rising competition in the form of Islamic banking subsidiaries of commercial banks that were allowed to offer up to 49 % stake to foreign investors. Already, three international groups had been granted licenses by the Malaysian Government to operate Islamic banks in the country. In 2004, Bank Negara issued three Islamic banking licenses to Kuwait Finance House, Saudi Arabia's Al Rajhi Banking & Investment House and a consortium led by Qatar Islamic Bank. It has been reported that Kuwait Finance will begin operations in 2005 with an initial capital of RM380 million. Al Rajhi Banking has a paid-up capital of 2.5 billion Saudi riyals (RM2.53 billion) and is operating over 500 branches in the Kingdom. Qatar Islamic Bank, which was incorporated in July 1982, has a market capitalisation of USD1.8 billion (RM6.84 billion). It is not known how much capital Al Rajhi Banking and Qatar Islamic Bank will invest in Malaysia but it is known that Bank Negara has stipulated that they must have a minimum paid-up capital of RM300 million. All these banks are fighting for their market share in the emerging Islamic banking industry, which is estimated currently to be worth RM90 billion or 10% of total banking assets in Malaysia. The industry size is likely to double by 2010.

Industry observers note that Bank Islam (BIMB) is the more robust of the two stand-alones. Set up in 1983, it has a paid-up capital of RM563 million and its holding company, BIMB Holdings Bhd. was listed on Bursa Malaysia. For its financial year ended 30 June 2004, BIMB earned a some RM85.7 million in net profit from RM654 million in interest and investment income. In comparison, Bank Muamalat, which began operations in 1999 had RM353 million in shareholders' funds and total assets worth RM7.3 billion at the end of 2003. But it only managed a measly RM7.3 million in profits before tax and zakat in the same year.

"Those with foreign investors will be able to improve their capital strength... They [Bank Islam and Bank Muamalat] will be pipsqueaks compared with the rest," said Rohani Mohd Shahir, chief executive director of Hijrah Strategic Advisory Group, an Islamic banking consultancy.

Bank Islam and Bank Muamalat do not have cards in their favour and the odds appear stacked against them. Both banks have been in the local market for a lot longer than their future competitors. "They have their advantages," noted David Vicary of Deloitte Touche Consulting Group Sdn. Bhd. "They had been established here for longer, they had built up their customer base and the products to suit those local customers."

Rohani, the consultant, said these banks' strength lies in the retail sector - offering products like housing loans and credit cards. These banks could court their own foreign investors, though any foreign equity stake will be capped at 30% - the limit imposed on foreign ownership of Malaysian banks in general. There is also room for strategic alliances. Rohani thought that with Dubai aggressively marketing itself as an international financial centre, there could be interest from the banks in Saudi Arabia to take on a stake in Bank Muamalat .

Industry observers were also looking at foreign players to bring in a whole lot more than just financial capital. “Building intellectual capital is the biggest challenge in the industry. This drive to put Malaysia in the leadership position is a good stimulus,” says Vicary. Such competition issues were at the fore then, partly due to the RHB group launching its subsidiary, RHB Islamic Bank Bhd., and negotiating to sell 30% of its stake to Saudi-based Dallah Albaraka Group in the preceding week. And more such units were set to come online — Commerce Asset-Holding Bhd. and Hong Leong Bank Bhd. had also received approvals to set up Islamic banking subsidiaries. These developments were prompting Islamic bankers to strategise how to outperform the other. Industry consultants said things were proceeding according to Bank Negara’s plan to make Malaysia an international centre for Islamic finance. And by allowing foreign players into the game, Bank Negara had created an environment where only the strongest would survive. “It will be tough and challenging,” observed Vicary. “But if you want to be world-class, this is the due process you have to go through.”⁴

For the year ended 31 December 2007, the Bank recorded a pre-tax profit of RM65.5 million, lower compared to RM104.8 million recorded in the preceding period. Similarly, the pre-tax at the group level stood at RM64.2 million compared to RM103.4 million in the previous year.

The modest performance registered in the year under review was attributed to higher allowance for losses on financing, which had increased to RM117 million from RM53.8 million in the preceding year which in part reflected the shift in provision policies, measured on the more stringent three month-basis, beginning January 2007 compared to the six-month basis previously. Allowance for losses on financing by the business segment had also revealed increased exposure from consumer-based banking activities, which had accounted for almost 60% of the total allowances made.

At the same time, the performance in 2007 had also included the one-off voluntary separation scheme costs totaling RM1.6 million. Consequently, the net profit for the financial year ended 31 December 2007 eased to RM49.4 million from RM73.9 million previously. These figures set the pace for future plans and growth strategies for Bank Muamalat.

⁴ “Corporate: Stand-alone Islamic banks face crunch” *The Edge Daily* March 9, 2005

Discussion Questions

- Q1. Perform the SWOT analysis on the case of Bank Muamalat Malaysia Bhd (BMMB) and determine whether there is any dominant strength that can be matched with any lucrative future opportunity.
- Q2. Based on data in Table 1, what do you think is the financial condition of the company? Do you think that the current efficiency ratio and liquidity position of the bank will allow for sustainability of the company.
- Q3. Based on your analysis of the competitive situation and economic condition of the global financial industry *vis-à-vis* Islamic banking industry in Malaysia, suggest ways and means of bringing BMM Bhd on to a path of future growth.



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