

by Sharareh Shahidi Hamedani (Sheri)

Malaysian Machine and Hand Tool Market



Introduction

Malaysia is a developing country with a population of 28.8 million in the south of Asia. The inflation in this country is 5.4 % and its GDP per capita is USD13,315. The main activities like the banking and automobiles industries are controlled by the government, and other SMEs normally are controlled by the Chinese population. The demography of Malaysia is 60.3% Malay, 22.9% Chinese and 6.8% Indians.

Based on DOSM¹ statistics, the general machine tools industry is about USD4 billion in Malaysia. Taiwanese market share is approximately USD192 million. The main Taiwanese competitors in this market are Japan by USD864 million, China by USD548 million, USA by USD487 million, Germany by USD404 million, and Singapore by USD222 million.

Taiwan and Malaysia Markets

These statistics convey some messages that if Taiwanese suppliers follow them, they can increase their market share in this field. These messages are as below:

1 - I had negotiated with some Taiwanese business owners. They did not think that they are able to penetrate into the Malaysia market because of the race factor (Chinese just do business with Chinese). Although 22.9% of Malaysia's population are Chinese and most of the industrial business is controlled by them, the main suppliers of general machine tools are Japanese companies in Malaysia. Japanese

suppliers import 1.5 times higher than Chinese suppliers. The clear message of this statistics shows that "Malaysian business owners also consider other factors than race."

- 2 - The above statistics depict that about USD2 billion of the general machine tools come from countries that their prices are usually quite expensive (Japan, Germany, USA and Singapore) but they are famous in quality. As we know, Taiwanese companies' strategies are based on high quality with reasonable prices; hence, DOSM statistics highlight the fact that "Taiwanese suppliers can be successful in Malaysian market."
- 3 - Taiwanese companies' technologies and policies are near to Japanese companies; therefore, if Japanese companies are the first suppliers for Malaysian companies in general machine tools section, and then it is not a dream for Taiwanese companies, if we believe that "Taiwanese suppliers are able to be pioneers."

Successful Road Map

The secure way for winning in the competitive market is customer services, and Malaysia is a competitive market for Taiwanese suppliers. Weak customer services damage the companies' effort for gaining more market share, even if the suppliers get the best quality products with the best prices. The Taiwanese suppliers should have planned to keep in touch with their clients and listen to their advice, understand their clients' need and solve their clients' existed problems.

This business grows by word-of-mouth advertising, the potential clients follow up the other user's experiences; therefore, the supplier's customer service is the only way for imprinting your name in the client's mind.

Some easy but essential methods to keep your customer service department active in the company are:

A- Understand your customer expectation

Customers have an expectation about our products, find it then try to offer them more than their expectation.

B- Excuse is not acceptable

Never tell some excuses for your bad services, just solve your customer problems even it is costly for you.



C- Know your competitor offers

You have to study in the market about your competitors' effort, understand them and offer better services than them.

D- Do not promise your customer if you cannot do it

You should deliver anything that you claim in your meetings, catalogues, advertising, etc. Therefore do not damage your brand name with impossible promises.

E- Put yourself in the customer's position

What do you like if you were in your customers' shoes? Do it for your customers.

F- Measure your customer satisfaction

Make some questionnaires and measure your customer satisfaction, find the reason of dissatisfaction and solve them.

G- Control the above items in your distributor organization

Although implementing the above clues is very important in your company, the essential subject is that your distributors carry out them, too. Control them in regular period of time.

Last Word

A survey conducted by call centre expert Dr. Jon Anton for his most recent book, e-Business Customer Service revealed that customers who buy a product with problems but receive "world-class" customer service while resolving the problems are more than twice as likely to repurchase from the company than customers who buy a perfect product with no problems at all².

References

1. Department of Statistics Malaysia, www.statistics.gov.my/
2. Knowledge Management for Customer Service Ingredients for Success, eGain Communications Corporation

About the author

Sharareh Shahidi Hamedani (Sheri), an MBA holder from Canada at Carleton University and focused on DBA (marketing field) for her doctorate. She has 11 years of experience in marketing and she is active as a freelance consultant in the Asia.

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