

Socio cultural analysis of malaysia



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In order to develop and execute very successful marketing audit and marketing plan it is very vital to understand host country's socio cultural environment. Therefore as a very reputed company and as a very strong brand, Ceylon Biscuit Limited (CBL) should have perfect awareness about the host country (Malaysia) and its culture, traditions & customs before exporting one of its most recent products range which named as CBL Nutriline Cereals to the Malaysian market as its latest business destination.

Malaysia is a multi cultural and multi racial country which is well known for social and cultural incorporation. Malaysia has become home country for more than 28 million people and it has taken the 43rd place under the category of most populated countries of the world. Even though the city of Putrajaya is considered as administrative capital of the Malaysia, Kuala Lumpur is the most populated and capital city of Malaysia which is also recognized as major economic hub of the region.

Malaysia is the motherland for many racial groups such as Malays, Chinese, Indians, indigenous groups and other Asian groups. According to the statistics of the Malaysian Population and Housing census department majority of the population represent by Malays (50.4%) and 26.0% of Chinese, 11.8% of the Indigenous, 7.7% of Indians and 1.2% of other racial groups symbolize the total population. When considering about the religious background of the Malaysia, Islam is the official and widely extended religion which represents 60.4% of the total population and 19.2% belongs to Buddhism. Further as a result of multi cultural and multi racial country 9.1% of Christians, 6.3% of Hindus and 5.0% of other religious people symbolize the total population. One of the unique features of the Malaysian

government policies is that Ethnic Malays are given more priority and consideration rather than the other races. Particularly when it comes to education, business dealings, employment and housing needs ethnic Malays are given more privilege and superiority by the government.

When it comes to Malaysian economy it has transformed in to manufacturing dominant economy from the agrarian dominant economy as a result of the new economic policies which were mainly introduced by one of the prominent leaders Mr. Mahathir Bin Mohammad, the former prime minister who revolutionized Malaysia in to a foremost industrial supremacy. At present, Malaysian economy strengths profoundly by its exports and as a result of high commitment of the Malaysians, Gross Domestic Product (GDP) of Malaysia has been growing at constant level of 7% per annum.

Malaysia is well known leading destination for world class education, particularly for the higher education. Due to the fact that high skilled and experience huge workforce (10. 89million employees by the year of 2007) can be seen in the Malaysia but there are more than one million expatriates employ in labour demanding industries. So Malaysia is an ideal country for high skilled expatriate employees to demonstrate their working capabilities and gain sensible income.

Malaysia is governed under the control of constitutional monarchy therefore supreme position of the country is presided over by the king. When it comes to executive power of the country executive power has been transferred to the prime minister who is the head of the Malaysian cabinet. The legal system of the Malaysia can be identified as a mix of both English common

law and jurisdiction of the Syariah. But the Syariah rules valid only for Muslims of the country. Malaysia is a good example for political stabilize country. It is very vital for us to have such political environment in order to conduct stable international trade with them.

As a result of the booming of the Malaysian economy, most of the features of the western culture highly affect to the Malaysian lifestyles. Many locals have started to use English language as their major language and most of the western customs have been welcome by the local teenagers such as clubbing, outings and hang around with friends mostly in the bars and pubs. Many people of the Generation X, Dotcom generation and Baby Boomers have adapted to busy continuous corporate lifestyle of the Malaysia. But most of the Malaysians still value the importance of a family life and highly concern about family members. High life expectancy rate can be seen In Malaysia particularly seventy years for men and seventy five for women. This has occurred mainly due to health conscious life style of them. Under the category of nutritious product, we have greater potential in Malaysian market because consumers prefer nutritional foods. Further most of the Malaysian prefers Halal foods because most of the Malaysians are Muslims. As a food company we should highly consider about the above mentioned fact.

One of the key success factors of the economic boom of the Malaysia is having right and ideal diplomatic relationship with the other countries. Malaysia always value regional cooperation so they have become one of the profound members of the Association of Southeast Asian Nations (ASEAN). Further as a emerging country Malaysia plays vital roles in the Asia Pacific

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Economic Cooperation (APEC), United Nations (UN), Non-Aligned Movement (NAM) and the Organization of the Islamic Conference (OIC).

Economic analysis

Malaysia is one of the emerging countries in the Asian region that has excellent vision and economic short term plans (five years) to accomplish the position of the developed country by the year of 2020. Malaysia has recorded excellent economic progress since its independent. In other words Malaysia has attained very rapid but stable economic growth by achieving average of 6.5% of Gross Domestic Product (GDP) per annum since 1957 to 2005. As a result of accurate, extraordinary economic plans Malaysian economy has transformed into manufacturing based economy from agrarian economy within short period of time. At the present, GDP of Malaysia is growing at a rate of 7% per year. At the end of the 2008, Malaysian GDP per capita has increased up to US\$ 14,215 and it has become the 48th position in the world and 3rd position in the Southeast Asia.

In the year of 2008 agricultural sector's involvement towards the Malaysian GDP has taken very lower percentage of total GDP and it was 9.7% of the total GDP. 45.7% of total GDP consists of service sector and rest of the 44.6% of total GDP was represented by the industrial sector. Malaysia's core focus is to improve export industries which largely consist of investments in real estate sector, non tradable sectors and more electronic products.

According to economic statistics of the Malaysia, purchasing power parity of the GDP has recorded as \$397.5 billion and GDP as per official exchange was \$214.7 billion in the year of 2008.

Malaysia is an ideal country for both local and foreign based industries and organizations. The government has given more opportunities for the foreign investments in order to boost its economy and as a result of large number of foreign investment latest technology & high skilled employees have entered in to the country and economy has restructured and diversified. Still most of the leading business organizations are managed by the government and some business organizations are operated as a combination of government and the private sector. But there is enough room for the private sector businesses to expand their market share and gain higher profits. Malaysian government has created strong and stable financial policies which favor private sector businesses along with the Central Bank of Malaysia and Securities Commission of Malaysia. Core objectives of the Malaysian government are to provide best local and foreign business friendly environment in the region and improve the service & manufacturing sectors of the country. Therefore government has removed few foreign ownership rules and some of the rules have revamped in order to encourage manufacturing sector. Further it will facilitate to catch the attention of new local and international investors.

The current prime minister's government has implemented the strategies in order to enhance the economy further by catching the attention of the investments in medical technology, high tech industries and pharmaceuticals. As a result of effective business strategies, Malaysia could maximize its exports and currently Malaysia is the world's biggest manufacturer of palm oil, rubber and tin. Apart from that Malaysia is considered as one of the world's leading and chief exporter of information

and communication technology products, semiconductor devices and the electrical goods. Malaysians honestly proud about their country because they have the world's biggest financial and banking network and Malaysia is a well known place for the most excellent healthcare service and extraordinary high quality education in the region.

Further government has taken enough measures to upgrade the infrastructure facilities of the country in order to improve the standard of living and to make better environment for the business. Currently Malaysia has super quality, wide ranging road network which cover more than 63, 445km. Further country is rich of well designed expressways that cover 1, 630 km and major highway links Singapore and the Thai border. Apart from that highly develop railway system which covers 1798 km significantly support to the economic growth and it assists to minimize the traffic of the major cities also it offers more reliable, safe and comfortable service. When considering about the air line industry of the Malaysia it has six well developed international air ports which enlarge the economic growth. Malaysians have latest, well developed communication system which facilitate to international trade. Malaysians experience the facilities of modern telephone and high-speed internet services, printed and electronic media services and satellite services. Tele-density of Malaysia is 125 per 100 people.

2. 0 The product

CBL is one of the leading food companies in Sri Lanka which manufacture variety of food products under few flagship brands. CBL group can be identified as a business conglomerate which manages Munchee- Wafers &

Biscuits, Plenty Foods – Herbal Foods & Energy Foods, Cecil – Dehydrated Fruits & Natural Fruit Juices in ready to drink packs, Lanka Soy – Soya Meat Products, Ritzbury – Specialty Chocolates & Chocolates and Tiara – Swiss Rolls & Cakes. Almost all products of the CBL have won the hearts of the Sri Lankan customers and now company has captured international market by exporting its food products more than 32 foreign countries. The success story of the company has more than four decades and it was established in the year of 1968. The CBL group has achieved the best growth rates in Sri Lanka under any business category and it has more than 65% of Sri Lankan market share. This has occurred mainly due to the commitment of the employees of the organization, commitment towards the high quality products and high quality standards, insistent marketing strategies, exceptional research and development strategies and as a result of innovative product lines.

CBL group has won many awards such as Product Brand of the Year award for four repetitive years, Brand of the year, National Award for Export Excellence and National Quality Award which will illustrate their success and the quality of the food products. Further CBL has gained many local and international quality standards such as ISO 9001: 2000, Quality Management System Certification, HACCP Food Safety Management Certification, ISO 14001: 2004 Environmental Management System Certification and SLS 251 product certification.

Nutri Line cereal food products are manufactured under the brand name of well known Munchee biscuit brand. The product is named as Nutri Line because it has introduced to the market as a fully nutritious meal. We will

look forward to introduce the Nutri Line cereal bars to the Malaysian market as a nutritious meal which can replace regular diet. Our one of the main intentions is to motivate Malaysian parents to buy our products with the idea of giving our product to their children as a nutritious meal. Further it will introduce to the all type of consumers who concern about healthy life and who have busy lifestyle.

Nutri Line cereal food products come to the market under three categories such as Nutriline Nutri-Pops Cereal, Nutriline Rice – Pops Cereal and Nutriplus Cereal Bar. Products are offered to the market in a pack size with seven months of self life therefore it has high potential to export. Products are offered to the market as a vegetarian food therefore there is high potential to attract more consumers towards the product in any market. In order to make Nutriline food products natural soya beans, green gram, rice, corn and fresh milk are used. Another significance of the product is that none of the any artificial flavors, preservatives or colours used to make the cereal products. Cereal food products are Crispy, crunchy and delicious so consumers will persuade to taste the products furthermore according to the attributes of the products it is easy and it is useful to taste any time of the day.