PAK TAM CAFE: ISSUES AND CHALLENGES IN ATTRACTING AND RETAINING CUSTOMERS

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This case was written by Yaty Sulaiman, Nik Kamariah Nik Mat, Selvan Perumal and Maria Abdul Rahman, Universiti Utara Malaysia. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

Disclaimer. This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision making. The author/s may have disguised names, financial and other recognizable information to protect confidentiality.
One day, Tuan Haji Ruslin Ibrahim (the owner of Pak Tam Cafe) was walking to his car. Suddenly he stopped for a while to see why so many people queue at one cafe. He wonders what are so special about this cafe even it’s still in the early morning. He thinks it will be better if Pak Tam Cafe (PTC) also receive a lot of customers every day. He decided to call a meeting for the PTC management team the next day to discuss details on how to attract and retain customers since he noticed that PTC was facing difficulties in attracting new customers. In addition, he also aware that the numbers of customers also decreasing based on sales volume (for example on certain menu such as mee rebus udang herba and aneka sup). The main agenda for the meeting was to discuss details on the marketing strategies of how to attract new customers and at the same time retain the existing customers. Despite the growth that PTC had been able to achieve since it was established in 1986, the company had been struggle in attracting the new customers and retaining the existing customers, especially, with the increasing number of competitors nowadays.

Tuan Haji Ruslin Ibrahim, one of the board of director members and the founder of PTC disclosed that PTC has only managed to capture the high number of customers during weekdays (total average customers per month is 9975). However, the number of customers dropped during public holidays (total average customers per month is 2154) and weekends (total average customers per month is 2511). Being dependent on the high costs of materials and foreign labor to run the business, which is resulted in a big amount of expenses, therefore, Tuan Haji Ruslin Ibrahim believed that they would need to improve their marketing strategy in order to attract new customers and at the same time retain existing customers. By doing this, he believed PTC might increase their sales not only during weekdays, but also during weekends and public holidays too. “Guys, you need to think and come out with a few marketing strategies which appropriate to attract new customers to come and enjoy our food and beverages, during public holidays, weekends and weekdays. In addition, you also need to prepare a list of marketing strategies which are suitable to be implemented immediately in order to retain our existing customers. Please remember that our tagline ‘Tuuu…Dia Pak Tam’ will always reflect to our products and company brand”. These commands gave an immediate pressure on the management team as they would need to carefully think of the appropriate strategies in improving the number of customers.

Company Background

Pak Tam Cafe (PTC) is a business organization which providing food and beverage services including restaurants, cafe, catering, bakery and pastry, retail shops and food truck business. PTC retains their value through customer relationship in which serving one client at a time. PTC also fulfills the customers’ needs by providing good services from food service and accommodating food tastes. PTC has its own food signature likes Mee Rebus Pak Tam, Nasi Bukhara, Pak Tam bread and Pak Tam Coffee. PTC offers enjoyable cuisine experiences for all customers. With expertise in Malay, Chinese, Indian and Western Cuisine, and the unlimited food choices offered, it grows to be a quite successful business. PTC also obtains halal accreditation from Jabatan Kemajuan Islam Malaysia (JAKIM). The company has potential to expand, but, it had been struggling in attracting new customers and retaining the existing customers, especially, with the increasing number of competitors. Furthermore, nowadays, many returning customers come to this cafe but only in the North and South Rehat dan Rawat (R&R) Tapah branches. For other branches, they show a decreasing number of customers, especially during weekends and weekdays.

The founder, Tuan Haji Ruslin Ibrahim hold over 30 years of experience in F&B specialize in restaurant, cafe, catering operation, training and mentoring and the mastermind behind the existing various outlets under Tuuu…Dia Pak Tam logo. Tuan Haji Ruslin Ibrahim also the creator of various products.
such as Kopi Pak Tam, Original Pak Tam Bread, Pattern Slice Food Truck as well as Quick Bite. He is currently holding the position as a Board of Director for Sirah Heritage Holding Sdn. Bhd (the parent company for PTC) and Managing Director for Juara Saji Sdn. Bhd (the subsidiary company of PTC and Sirah Heritage Holding Sdn. Bhd). He has excellent cook with expertise in various cuisines around the world and hold great experience as a serial entrepreneur. Therefore, Tuan Haji Ruslin Ibrahim was invited to share his experience and culinary knowledge in countless talk and seminar locally as well as overseas that make him popular in his area.

Since 1986, famous with tagline Tuuu...Dia Pak Tam, starting with the RM25 capital, Tuan Haji Ruslin Ibrahim and wife sell ‘mee rebus’ and ‘rojak pasembur’ by street stall at Taman Selayang and Ramadan bazaars. After a year, customers began to be familiar with ‘mee rebus’ and ‘rojak pasembur’, Tuan Haji Ruslin Ibrahim and wife traded at a stall followed by a cowboy shop at the same place which was then demolished for development by the authorities in March 2002. This couple obtained experience and knowledge on food and beverage industry by hard work, confidence, high self-esteem, learning from experience, reading and attending courses and training provided by the government. Start with an average net income just around RM600 a month and now increases not less than five figures a month, Tuan Haji Ruslin Ibrahim, his wife and colleagues always and will continue to improve their business in quantity as well as quality.

Today, PTC has wholly owned six companies namely Juara Saji Sdn Bhd, Pak Tam Katering Sdn Bhd, Jalinan Madu Sdn Bhd, Kulit Kayu Manis Enterprise, Ana Boss Enterprise and Jalinan Madu Enterprise. PTC is specialised in food & beverage business which includes restaurant, cafe, catering, bakery & pastry, retail shops, and food truck business with 14 branches all over Malaysia. It also produced its own products includes Kopi Pak Tam, drinking water, Malay traditional biscuits and cakes. Recently the company has launched the latest brand, Pattern Slice, a wonderful and delicious cakes and pastry for sweet lovers. In addition, the cooked noodles and frying recipe are the main menu, prepared with their own recipe. Likewise, with the ingredients of nasi kandar. All the dishes as the main menu of restaurant chains and Tuuu...Dia Pak Tam kiosks.

PTC is an established company more than 30 years in catering and food and beverage industry. PTC has significantly evolved in serving small function to serve over 15,000 people in a single event, with the combined expertise of the management team and experienced employees. PTC services are available for all business and private social events and function, including wedding events, corporate events, business luncheon and dinner meetings, open houses, theme parties, private party barbecues and more. However, in spite of experience more than 30 years in the food industry, PTC’s brand is still unpopular among certain Malaysians due to lack of exposure or advertising in social media, printed advertisements and also electronic advertisement. At the same time, PTC only focuses on a few food signatures such as Mee Rebus Pak Tam, Nasi Bukhara, Pak Tam Bread and Pak Tam Coffee. Similarly, to strengthen the product brand is very difficult. In other words, PTC is facing constraints in attracting and retaining his customers due to a low awareness on PTC brand, which leads to decreasing number in sales. It is shown in its financial analysis, which is PTC gross profit margin is 44.4% in 2015 and decreased to 43.27% in 2016. The gross profit in 2017 is also decreased from 5.04% to 38.22%. PTC also suffered a negative net profit margin in 2017 which is -0.66%. Therefore, in order to advance the business, they need to invest in promoting and strengthening their own brand.

Pak Tam Cafe Achievement

Recently, PTC has been awarded a certificate of achievement for successfully acquiring three star rating 2017 under SME Competitiveness Rating for Enhancement (Retail & Distributive Trade) by SME
Corporation Malaysia. Star ratings for PTC are assigned to indicate the performance level of a company based on a seven assessment criteria, namely financial strength, business performance, human resource, technology acquisition and adoption, certification and market presence. Three-star rating is awarded to a company that showcase the uses technology from semi to fully automated, able to implement a quality system, undertakes product and process improvements, intellectual property registered, ready for export compliance certification and recommend measures for improvements.

Having achieved a three star certification from SME, PTC is entitled to get various development programmes and financial assistance schemes to enhance the capability and capacity of the company. Apart from offering advisory services relating to the development of the industry, SME Corporation Malaysia also gives facilitation in developing SMEs through various support programmes aimed at improving their capacity and capabilities, thus enabling them access into the international markets. One of the programs which had been participated by PTC is Malaysian Brand. Malaysian Brand is an accreditation scheme for quality, excellence and distinction of products and services of Malaysian company’s collaboration SME Corporation Malaysia with SIRIM QAS International Sdn. Bhd. Participating Malaysian companies will be evaluated through stringent standards, whereby auditing and monitoring measures will be put in place to ensure adherence to the set quality standards. If successful, the products or services will be given the right to carry the National Mark of Malaysian Brand for the period of two years. To retain the Mark, auditing and monitoring measures will be done periodically to ensure adherence to the criteria set.

Putrajaya Hospital Cafeteria PTC Branch also was awarded the Certificate of Recognition as ‘Clean, Safe and Healthy’ (BeSS) by the Ministry of Health Malaysia and was the first cafeteria in Malaysia to receive such recognition. Another PTC branch, Seremban Hospital Cafeteria Branch was also recognized by the Ministry of Health Malaysia as the first hospital Cafeteria in Malaysia which introduced a healthy food menu and also has been used as a hospital model for hospitals across Malaysia under Ministry of Health Malaysia.

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**Competitors**

Pak Tam Caf (PTC) direct competitor is Ani Sup Utara while the indirect competitor is Oldtown White Coffee. The PTC is a local company which is similar with Ani Sup Utara. Both companies are established as Small, Medium Entrepreneurs (SME’s) in Malaysia and run by local Malaysian. They provide similar dishes which are mainly Malaysian dishes. Ani Sup Utara is focusing more on soup-based dishes as its main dish. In comparison, between PTC and Oldtown White Coffee, it is a global company with its branches in Malaysia. In terms of corporate image, it has a strong image that enables it to position itself in the F&B industry. PTC has a strong corporate image which used black and red color to attract consumer and remember their logo image. Oldtown White Coffee has used dark brown color which suitable to create their restaurant looks like traditional interior design.

PTC has halal certification from JAKIM, offered Malaysian signature dishes and food taste which suitable for Malaysian, have a variety of product offered, which not only focusing on one products and attractive packaging and choose strategic locations. While, Ani Sup Utara has own strengths which has more branches and located in urban areas. However, for an indirect competitor which is Oldtown White Coffee, it has strengths in high market share value in Malaysia and have a good franchise system. In addition, all of three businesses have strategic locations which are located near to crowded places or in a mall, hospital and others. This shows that locations chosen possess strengths to open a store and operates the business.

However, all three businesses above have their own weaknesses in business operations and management. For PTC, Ani Sup Utara and Oldtown White Coffee, they have similar weaknesses which are quality of food that they provide to customers. The food that is provided by PTC, Ani Sup Utara and Oldtown White Coffee only can withstand for one day. If customer wants to eat the food for another day, they need to opt for takeout and keep it in refrigerators. However, customers will not gain same quality like having it on the first day. In addition, they don’t have a good central kitchen, hence the food taste is different for every branch. Besides, the weaknesses face by Ani Sup Utara is less of advertisements on social media, newspapers and television.

Besides, all of the three businesses that stated above have their own opportunities in terms of management and operation of businesses. PTC has the opportunity to go global by using its brand. In comparison with Ani Sup Utara which not yet had the opportunity to expand globally. This is because they need to establish strong presence in Malaysia market. However, Ani Sup Utara has a long-term plan to expand their business into global market such as The South East Asian. In terms of halal certificates, all of three businesses have halal certificates and logo from JAKIM that enable them to

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run business operations in Malaysia. Halal certificates will create confident for Muslim people purchasing foods and drinks in the restaurants. In terms of the comparison of e-commerce, PTC and Oldtown White Coffee have been doing extensive process of adding more product lines to the existing product and introducing a new product mix. This will create more opportunity for these businesses to be well-positioned in the market as consumers always want to know and purchase new product in the market.

These businesses possess threats that need to be faced in business management and operations. About three businesses above, there are external threats that they need to face. PTC, Ani Sup Utara and Oldtown White Coffee are facing the same threats from their direct and indirect competitors. Hence, they need to craft better marketing strategy to attract their customers. They need to understand and examine feasibility study about customer demand in choosing their meal.

Ani Sup Utara is identified as the primary competitor for PTC. Ani Sup Utara is the largest restaurant that serves soup in Malaysia. Ani Sup Utara operates on 1st July 2003 at Plaza Sentral, Shah Alam, Selangor Darul Ehsan. The distributor of Ani Sup Utara is Allahyarham Mr. Hasanuddin bin Ibrahim and Mrs. Rohani binti Abu. Ani Sup Utara has its own company, namely Little (M) Sdn Bhd was established on 13th June 2005 and register below Suruhanjaya Syarikat Malaysia (SSM). Little (M) Sdn Bhd that managing the chain of Ani Sup Utara Restaurant, which have 36 branch whole Malaysia. 36 branches consist of 13 as a restaurant and 23 from the kiosk at mall and government offices.

Ani Sup Utara produces food based on soup such as Meat Soup, Mix Soup, Chicken Soup, Bones Soup, Gearbox Soup and many more. It also serves Nasi Lemak as a breakfast food. It is famous for the tagline ‘Ingat Sup Ingat Ani Sup Utara’. The pricing strategy is based on the type of soup will be served to the customer, as shows in Table 1 below.

Table 1: Ani Sup Utara Product Prices

<table>
<thead>
<tr>
<th>Signature</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sup Daging</td>
<td>RM7.50</td>
</tr>
<tr>
<td>Sup Perut</td>
<td>RM6.50</td>
</tr>
<tr>
<td>Sup Campur</td>
<td>RM6.80</td>
</tr>
<tr>
<td>Sup Ayam</td>
<td>RM6.50</td>
</tr>
<tr>
<td>Sup Paru</td>
<td>RM6.50</td>
</tr>
<tr>
<td>Sup Ayam Cendawan</td>
<td>RM7.70</td>
</tr>
<tr>
<td>Sup Tulang</td>
<td>RM7.70</td>
</tr>
<tr>
<td>Sup Ekor</td>
<td>RM13.90</td>
</tr>
<tr>
<td>Sup Kambing</td>
<td>RM13.90</td>
</tr>
<tr>
<td>Sup Ekor</td>
<td>RM13.90</td>
</tr>
<tr>
<td>Sup Lidah</td>
<td>RM13.90</td>
</tr>
<tr>
<td>Sup Urat</td>
<td>RM17.00</td>
</tr>
<tr>
<td>Sup Gearbox</td>
<td>RM15.00 - RM 40.00</td>
</tr>
<tr>
<td>Sup Tulang Rusuk</td>
<td>RM11.50</td>
</tr>
</tbody>
</table>
The indirect competitor for PTC is Oldtown White Coffee. Oldtown White Coffee established in 1999. It is becoming the indirect competitor of PTC because Oldtown White Coffee also serves coffee to the customer and they also provide complete meal sets. The products and service offered are quite similar compared to PTC. Both businesses are established by Malaysian entrepreneurs.

![Oldtown White Coffee](image)

The pricing strategy is based on the type of meal will be served to the customer, as shows in Table 2 below.

**Table 2: Oldtown White Coffee Product Prices**

<table>
<thead>
<tr>
<th>Foods</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oldtown Asam Laksa</td>
<td>RM 11.50</td>
</tr>
<tr>
<td>Oldtown Curry Mee</td>
<td>RM 11.50</td>
</tr>
<tr>
<td>Meehoon Soup with Minced Chicken Meat</td>
<td>RM 7.90</td>
</tr>
<tr>
<td>Meehoon Soup with Fish Ball</td>
<td>RM 7.90</td>
</tr>
<tr>
<td>Oldtown Nasi Lemak with Fried Chicken</td>
<td>RM 12.60</td>
</tr>
<tr>
<td>Oldtown Nasi Lemak with Tumeric Fried Chicken</td>
<td>RM 13.60</td>
</tr>
<tr>
<td>Oldtown Curry Chicken Rice</td>
<td>RM 13.60</td>
</tr>
<tr>
<td>Spicy Chicken Chop Rice</td>
<td>RM 16.80</td>
</tr>
<tr>
<td>BBQ Chicken Rice</td>
<td>RM 10.40</td>
</tr>
<tr>
<td>Drinks</td>
<td>Hot</td>
</tr>
<tr>
<td>Nescafe</td>
<td>RM 1.90</td>
</tr>
<tr>
<td>Milo</td>
<td>RM 2.00</td>
</tr>
<tr>
<td>Nescafe</td>
<td>RM 1.70</td>
</tr>
<tr>
<td>Coffee</td>
<td>RM 1.70</td>
</tr>
<tr>
<td>Teh</td>
<td>RM 1.70</td>
</tr>
<tr>
<td>Oren</td>
<td>RM 2.50</td>
</tr>
<tr>
<td>Bandung</td>
<td>RM 1.90</td>
</tr>
<tr>
<td>Sirap</td>
<td>RM 1.60</td>
</tr>
<tr>
<td>Oldtown White Coffee Signature Freezy</td>
<td>-</td>
</tr>
</tbody>
</table>
### Oldtown White Coffee Freezy
- RM 9.30

### Black Tea
- RM 4.00
- RM 4.50

### Oldtown Teh Tarik
- RM 4.40
- RM 4.70

### Oldtown White Milk Tea
- RM 4.40
- RM 4.70

### Lime Juice
- RM 4.70
- (Regular)
- RM 5.70
- (Large)

### Orange Juice
- RM 5.50
- (Regular)
- RM 6.50
- (Large)

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**Financial Performance**

In general, PTC sales are constantly increasing from year to year. In 2014, PTC sales volume was about RM2,827,229.00 and increased to RM5,111,258.00 in 2015. In 2016 the sales were continually increased to RM9,024,065.00 (please refer to Exhibit of PTC Income Statement and PTC Balance Sheet). The increasing in sales each year is a good sign for small companies that are just about to grow like PTC. The reason for the growth sales in PTC is the change in the business operation of the company. Another reason that helps increase sales is the addition of newly opened outlets.

However, PTC gross profit margin is decreased from 44.4% in 2014 to 43.27% in 2015, and 38.22% in 2016. This shows that as sales increase, the cost of sales also increases. Increasing in cost of sales is due to uncontrollable factor like increasing oil prices which indirectly raise the price of materials in the market. At the same time, PTC had suffered a negative net profit margin in 2014 which is -0.66% and getting better to positive net profit margin which is 0.42% in 2015. The PTC net profit margin was slightly better in 2016 which increased to 0.89%. By contrast, in general, an analysis of PTC financial statements reinforces that PTC is financially stable and the liquidity position of this company is also good. The company's sales growth and gross profit have been extraordinary during the past three years and increased 50% each year. Despite having loss in net profit margin in 2014, PTC managed to get up and gain profits within a year.

**Marketing and Standard Operating Procedure (SOP) Practice**

**Market Analysis**

Pak Tam Cafe (PTC) served the foods and drinks that easy for customers to get, easy to eat and easy to drink. In other words, PTC came out with the new products such as instant food, instant drink and food paste which strategize for online marketing. Customers could get the products in anytime. It is suitable for all the levels of customers such as student, family with children, and senior or elderly citizens. In other words, PTC had its own target market for the new products and services. One of them is family with children. Many parents are working right now and they are so busy compared to the previous generations. They need to prepare the food after work for their family. Therefore, PTC came out with product that make all customers get the foods easily, namely food paste, instant food, instant drink and so on. PTC also provided the delivery food with set. The busy family will get food either through the PTC outlets or by online.
PTC also targeted for secondary students and college students who are hectic with their home works and assignments. Sometimes they need the instant foods as the stock at their home or hostel. In addition, PTC also targeted to the senior and elderly citizens. PTC market analysis showed in Table 3 and Figure 1 below.

### Table 3: PTC Market Analysis

<table>
<thead>
<tr>
<th>Market Analysis</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>17,645</td>
<td>18,527</td>
<td>20,565</td>
<td>21593</td>
<td>22,673</td>
<td>6.47%</td>
</tr>
<tr>
<td>Student</td>
<td>9,925</td>
<td>10,223</td>
<td>11,348</td>
<td>11,688</td>
<td>12,039</td>
<td>4.95%</td>
</tr>
<tr>
<td>Senior and elderly citizen</td>
<td>7,168</td>
<td>7,311</td>
<td>7,896</td>
<td>8,054</td>
<td>8,215</td>
<td>3.47%</td>
</tr>
</tbody>
</table>

![Market Analysis Graph](image.png)

*Figure 1: PTC Market Analysis*

### Marketing Strategy

#### Generic Strategy Framework - Product Differentiation

Pak Tam Cafe (PTC) generic strategy framework is through product differentiation. PTC created products which offers quality and original taste at optimum prices. PTC planned to add more products to the existing product lines in future. The market segment for PTC ranged from kids to the elderly who enjoys traditional Malaysian cuisine. Hence, the traditional Malaysian cuisine served in modern methods which served as a competitive advantage for PTC.

#### Growth Strategies

Pak Tam Cafe (PTC) had been classifying and upgrading selected brand to attain optimum standard. Each brand had been re-named according to customers’ market segment in the F&B industry. Selected brands under PTC went to the process of re-branding. For the cafe’s operating in hospitals, it known as The Canteen. The Canteen is targeted to the market segment of customers who are classified as the low to the moderate income. For the branches located along the North-South Expressway (NSE), they had been re-named as The Eatery. The new name will be better at
reflecting the food court concept for customers who travel on a long distance. The concept cafe targeted customers from moderate to high income segments. The concept cafe used the name “Tuuu…Dia Pak Tam Cafe”. Another segment of PTC products and services is Pak Tam Katering. The services, appearance, and food quality has been upgraded. Various range of food choices had been added to Pak Tam Katering. It is hopeful that more customers will be returning to the outlets they have visited.

Innovation Strategies

The fourth industrial revolution have changed the buying behavior and food consumption. The world revolves around the idea of the Internet of Things (IoT). Hence, Pak Tam Cafe (PTC) had responsive towards the external changes in the environment. The adoption of new technologies such as online purchasing for food products and online payment methods are utilized by PTC. Though food consumption is classified and measured in terms of its actual taste and authenticity, PTC did not hesitated to adapt with the changes in customers lifestyle in terms of food consumption. Hence, continuous improvement towards the changes had been performed by PTC, by delivering both the convenience and quality of food dining experience.

In overall, PTC had spent certain amount of money on marketing budget for Year 2016-2018 as shown in Exhibit 3-5.

Standard Operating Procedure (SOP) Practice

PTC implemented comprehensive Standard Operating Procedure (SOP) in their daily operation in order to make sure that PTC could manage the quality of foods and beverages offered by this company. Quality products are mandatory to maintain customer satisfaction, increase customer loyalty and increase food safety. The strict and wide-ranging SOP has enabled PTC to cumulatively collect awards from various organizations. For the record, Putrajaya Hospital Cafeteria Branch has awarded the Certificate of Recognition as ‘Clean, Safe and Healthy’ (BeSS) by the Ministry of Health Malaysia and was the first cafeteria in Malaysia to receive such recognition.

Another PTC branch, Seremban Hospital Cafeteria Branch was also recognized by the Ministry of Health Malaysia as the first hospital Cafeteria in Malaysia which introduced a healthy food menu and also has been used as a hospital model for hospitals across Malaysia under Ministry of Health Malaysia and optimistically this is the beginning of the PTC towards acquiring ISO 9001.

PTC make sure that the quality of provided products and services are meeting the customer expectation by introduced a few ways. Firstly, developed a comprehensive system, enabling systematic food handling operation and services, which was provided to cover food preparation processes and services. Secondly, created a guideline and clear expectation on the task given. Thirdly, introduced an automated way of handling the products and services to move away from human dependency such as a central kitchen where the food is prepared, measured and pack as per intended quantity and delivered to each outlet to avoid mishandling of food processing at the outlet itself. Central kitchen is commonly used by companies with limited retail space. By having central kitchen, PTC reduced the kitchen space and make the best use of the retail space. For the task where human resources are unavoidable, PTC had recruited capable employees to fill up the competency gap. Lastly, PTC also provided a comprehensive training to equip the staff on the quality of food and service to ensure the staffs are certified to perform the task. At the same time, PTC also implemented enforcement of the procedures that abide to labour law to ensure the required standard operating procedures are correctly followed.
SOP alone is insufficient to retain the quality of the product and services. Therefore, PTC also applied a comprehensive supply chain management system. Adoption of central kitchen as a part of business’s PTC significantly helped to improve PTC operations as well as profit of the company. Food preparation time can be reduced as the majority of the dishes are generally prepared in advance at the central kitchen before delivering to the outlets. As such, manpower at the outlets also had been reduced and this directly helps to reduce the labour costs. Central kitchen not only prepared food in quantity, but also maintained consistent quality. Therefore, the centralized food service system improved quality, reduced costs and time, which resulted in better productivity and increased profit.

Customers nowadays anticipated the company to deliver quality products otherwise they will quickly look for alternatives. Quality is critical to satisfying the customers and retaining their loyalty so they will continue to buy from PTC in the future. Quality products make an important contribution to long-term revenue and profitability. They also enable PTC to charge and maintain higher prices.

**Brand Management**

PTC has expanded to 10 outlets across Malaysia and looking forward to growing even bigger, aiming to be a company with global operations in hospitality and a leader in world class innovations and excellent service through different target customer and food concept. PTC applied branding strategy through corporate image colour which are black and red that can be eye catching to attract customers besides their slogan “Tak Sedap Bagi Tahu Pak Tam, Sedap Bagi Tahu Kawan”. This simple slogan and corporate image colour might keep remaining in the customer brain through repeatedly advertisements on brochures, television and radio commercial. However, currently all PTC outlets are carrying *Tuuu…Dia Pak Tam* logo without standardization on the prices, cafe concept and servicing style. This caused confusion to the customers, especially when the services or the prices are not meeting their expectations.

Therefore, PTC try to build stronger brand by classifying the outlets based on the target customer and cost requirement. In order to capture low to moderate income customers, Hospital Cafe - Hospital Kuala Lumpur, Hospital Putrajaya and Hospital Titiwangsa had been renamed from *Tuuu...Dia Pak Tam* to *The Canteen*. For the food court concept outlet like PTC in Tapah Selatan, *Tuuu...Dia Pak Tam in Tapah Utara*, *Tuuu...Dia Pak Tam in Ulu Bernam* had been renamed to *The Eatery*. PTC as in *Vista Alam* remained as the blueprint outlet that targeted for moderate to high income consumer. PTC has significantly evolved from serving small functions to serving 15,000 people in a single event. PTC services are available for all business and private social events and functions including wedding events, corporate events, business luncheon, dinner meetings, open houses, theme parties, barbeque and more. With this strategy, the brands are defined clearly and the consumers are clear about what to expect when they visit each outlet. So, when PTC classified their outlet based on the target and cost requirement, the consumers can choose their favourite food base for existing outlets. With this classification also, PTC can accurately assess the investment opportunity and place the right brand at the right location.

**Pricing**

Pak Tam Cafe offered a variety of foods and beverages with a reasonable price as shown in Table 3 below:
Table 3: Pak Tam Cafe Product Prices

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<th>Price</th>
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<td>Roti Bakar</td>
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<td>RM 1.60</td>
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Conclusion

The case study on Pak Tam Cafe provides a more comprehensive look at an example of one of successful Malaysian SME companies from the marketing perspective. The concept of marketing has been widely implemented in analyzing the business in PTC specifically, and Malaysia business in F&B, generally. It also identifies the internal and external issues and challenges faced by PTC to sustain its business by attracting new customers and retaining existing customers. However, PTC needs to implement new strategies which can contribute in achieving the goals. Therefore, the PTC management team had listed a few questions in order to decide on the strategies: What are the strategies to be taken to help Pak Tam Cafe to attract new customers? What are the strategies to be taken to help Pak Tam Cafe to retain existing customers? What can be done by the management team to increase PTC sales volume during weekdays, weekends and public holidays? Is there any customer relationship management (CRM) can support PTC sales performance at every stage of the
sales cycle, from leads to customer management? How to implement appropriate strategies such as environmental analysis, competitor analysis and market analysis?

Exhibit 1: Pak Tam Cafe Images
Exhibit 2: Pak Tam Cafe Organizational Chart
Exhibit 3: Pak Tam Cafe Marketing Budget For Year 2016

<table>
<thead>
<tr>
<th>Month</th>
<th>Personnel (F &amp; M)</th>
<th>Salaries, wages</th>
<th>Benefits</th>
<th>Sales force salaries</th>
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<th>Personnel Total</th>
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### Exhibit 5: Pak Tam Cafe Marketing Budget For Year 2018

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<th>Month</th>
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<th>Mar</th>
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**Note:** The budget is in MYR (Malaysian Ringgit).
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<th>Marketing Award</th>
<th>Committes and burunee</th>
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<th>MYR 500,000</th>
<th>MYR 1,000,000</th>
<th>MYR 2,000,000</th>
<th>MYR 5,000,000</th>
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<tbody>
<tr>
<td>Commission &amp; Retention (CAR)</td>
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## PAK TAM KATERING SDN. BHD.
### INCOME STATEMENT
FOR THE 3 YEARS ENDED 31 DECEMBER FOR YEAR 2016, 2015 AND 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>RM</td>
<td>RM</td>
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</tr>
<tr>
<td>Revenue</td>
<td>9,024,065.00</td>
<td>5,111,258.00</td>
<td>2,827,229.00</td>
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<tr>
<td>Costs of Sales</td>
<td>(5,574,628.00)</td>
<td>(2,899,853.00)</td>
<td>(1,559,491.00)</td>
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<tr>
<td>Gross Profit</td>
<td>3,449,437.00</td>
<td>2,211,405.00</td>
<td>1,267,738.00</td>
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<tr>
<td>Other Income</td>
<td>592.00</td>
<td>184.00</td>
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<tr>
<td>Staff Costs</td>
<td>(1,577,924.00)</td>
<td>(1,131,590.00)</td>
<td>(583,956.00)</td>
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<tr>
<td>Administrative Expenses</td>
<td>(1,558,532.00)</td>
<td>(945,742.00)</td>
<td>(562,857.00)</td>
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<td>Other Operating Expenses</td>
<td>(129,368.00)</td>
<td>(71,307.00)</td>
<td>(73,281.00)</td>
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<tr>
<td>Profit from Operations</td>
<td>184,205.00</td>
<td>62,950.00</td>
<td>47,644.00</td>
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<td>Finance Cost</td>
<td>(33,871.00)</td>
<td>(36,306.00)</td>
<td>(32,869.00)</td>
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<td>Profit before Taxation</td>
<td>150,334.00</td>
<td>26,644.00</td>
<td>14,775.00</td>
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<tr>
<td>Taxation</td>
<td>(69,999.00)</td>
<td>(5,382.00)</td>
<td>(33,463.00)</td>
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<td>Net Profit/(Loss) for the Year</td>
<td>80,335.00</td>
<td>21,262.00</td>
<td>(18,688.00)</td>
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PAK TAM KATERING SDN. BHD.
BALANCE SHEET
FOR THE 3 YEARS ENDED 30 JUNE FOR YEAR 2016, 2015 AND 2014

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<th>2014</th>
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<td>PROPERTY AND EQUIPMENT</td>
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<td>Trade receivables</td>
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<td>Amount due from Directors</td>
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<td>Amount due from related company</td>
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<td>Cash and bank balances</td>
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<td>LESS: CURRENT LIABILITIES</td>
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<td>953,330.00</td>
<td>1,077,149.00</td>
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<td>Trade payables</td>
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<td>55,780.00</td>
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<td>Amount due to Directors</td>
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<td>170,103.00</td>
<td>270,548.00</td>
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<td>Other payable and accruals</td>
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<tr>
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<td>1,546,321.00</td>
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