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THE EFFECTIVENESS OF ALMARAI COMPANY CREATIVE MARKETING METHODS TO ACHIEVE CUSTOMER SATISFACTION, KINGDOM OF SAUDI ARABIA

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ABSTRACT

Almarai Company is a Saudi multinational dairy company specializes in food, beverage manufacturing and distribution. To attain consumer satisfaction the Company developed and introduced different creative marketing methods/policies to achieve customer satisfaction. This study was conducted to evaluate the effectiveness of the Company creative marketing methods and procedures and their impact to achieving customers' satisfaction. The questionnaire used to collect primary data from 98 respondents, selected purposively in Riyadh the capital city of the Kingdom of Saudi Arabia. The secondary data obtained from the relevant sources. The study findings revealed significant relationship between the (four) marketing methods adopted by the Company (product development, price, and product distribution and promotion policies); and customer satisfaction. The study recommended inter alia conducting ongoing field studies and surveys to identify the interests and desires of the company's customers, to be satisfied in a sustainable manner.

Keywords: Effectiveness marketing, creative methods, customer satisfaction.

INTRODUCTION

To cope with great progress and ongoing socioeconomic development, producers and organizations are racing to obtain the largest possible share in the market. According to Alhaddad (2013) traditional methods of marketing are no longer able to influence customers, prompting organizations to follow modern and innovative methods in marketing process to reach customer satisfaction. Customer satisfaction from the marketing point of view is one of the most important indicators that reflects the success of the organization in dealing with its customers and ability to satisfy their needs and desires. In order to increase its market share, firms and organizations required to develop and introduce relevant creative marketing methods, strategies and programs. Therefore, the more satisfied customers with the good or service they receive, the more loyal they are and the weaker the ability of competitors to entice them. In this regard El Ajmi (2011) stated that in light of competition between institutions to attract, satisfy and retain customers, they have to use more effective and innovative methods.

Marketing is defined as identifying the needs, desires, and interests of target markets in order to deliver the desired level of satisfaction in a more effective and efficient manner than competitors, as this leads to preserving or strengthening everything that contributes to the well-being of society (El Sabbagh, 2016). It is also defined as the analysis, planning, implementation and control of programs that are prepared to achieve the exchange of things that have value and benefit in target markets for achieving the organization's goals (Yassin, 2012).

The social importance of marketing is aimed at satisfying the needs and desires of society, as it is the basis of any system, according to the societal marketing system, as indicated by Albakir (2001) who indicated that marketing represents the dynamic processes of business enterprises that integrate their products with the goals and values of society. Therefore, meeting the needs of society, as an important goal of marketing, requires knowledge of consumer trends and desires. It is worth mentioning that marketing process includes several stages. These stages as stated by Alhassan (2019) includes: Production orientation, product orientation stage, sales orientation, marketing stage, and stage of orientation to the societal concept of marketing, which focuses on paying attention to the needs and interests of society, while not neglecting consumers, the organization objectives, and work environment.

Customer satisfaction can be defined as an immediate evaluative judgment after a purchase or an emotional reaction as result of the most recent transaction with a company. It is also known as the good or bad feeling that the consumer feels because of comparison between the level of sacrifices (material or psychological) that he made and the compensation obtained. A satisfied customer considered to have loyalty towards a specific brand or a company. Therefore, he/she buys more goods, is less sensitive to the prices offered for the products, and does not care much about competitors. According to Alhassan (2019) the key to retaining customers is customer satisfaction, as satisfaction leads to an increase in the value and consumer spending, which leads to an increase in firms' revenues that resulting in increasing profits. Moreover, methods of achieving customer satisfaction.

Almarai Company is a [Saudi multinational](#) dairy company specializes in food and beverage manufacturing and distribution. The company's head office is located in [Riyadh](#), the capital city of the Kingdom of [Saudi Arabia](#). The Company was established in 1977 by Irish brothers Alastair McGuckian and Paddy McGuckian and Prince Sultan bin Mohammed bin Saud Al Kabeer (Almarai Company, 2023)

In 2011, the Company invested heavily in Saudi Arabia to increase dairy production in the country. Arab News reported that they would be creating an additional 12,000 jobs in the country over the next five years. In 2017, Almarai added a second production facility in [Al Kharj](#), known as CPP3. It is home to a [bakery](#), infant nutrition plant, central processing plant, and a logistics warehouse. In 2017, Almarai added a second production facility in [Al Kharj](#), known as CPP3. It is home to a [bakery](#), infant nutrition plant, central processing plant, and a logistics warehouse. The joint venture with Pepsi continued to grow, when Reuters announced that both companies would invest a total of \$345 million in Egypt's agriculture industry. In March 2021, Almarai extent its activities to buy the UAE and Bahrain operations of Bakemart for \$25.5 million. It is worth mentioning that Almarai Company farm was the first dairy farm in Saudi Arabia accredited with [ISO 22000](#). The company was also received the [ISO 9001-2000](#), across all its operating divisions, (farming, procurement, processing, technical research and development, distribution and supply chain (Almarai Company, 2023).

To attain consumer satisfaction the Company developed and introduced different creative marketing methods/policies to achieve customer satisfaction. These policies include i- Product development: The Company provides fresh dairy products include short-life products such as yoghurt, yogurt and flavored milk products. All these products are made from 100% fresh cow's milk produced by Almarai herd, ii- Pricing policies: The Company adopted pricing method considering product quality, level of competition, and the political circumstances of the country, iii- Promotion: Almarai uses the promotional attraction methods including commercial advertisements on famous television channels and social networking sites, as well as the way the products are displayed in the shops, and iv- Distribution: All products are shipped fresh daily through Almarai's fleet, which transports them to more than 40,000 sales outlets in various Gulf Cooperation Council markets. The department has more than 7,700 trucks and refrigerated vehicles that deliver approximately 2 billion kilograms of products every day at the right time and in the appropriate conditions (Almarai Company, 2023).

Research Objectives:

The major objective of this study was to evaluate the effectiveness of the Company creative marketing methods and procedures and their impact to achieving customers' satisfaction.

The specific objectives were to:

1. Identify the methods and policies adopted by the Company to meet customers' satisfaction
2. Examine the relationship between methods and policies adopted by the Company and customers' satisfaction
3. Propose some recommendations based on the study findings for improvement and better achievements

Problem Statement:

Production organizations and companies continuously compete for the largest share in the market, which forces them to adopt new and innovative methods in the marketing process as to meet its prescribed objectives. Companies aim to gain customer satisfaction, which requires full knowledge of the methods that make the consumer turn towards a particular product or service(s). This study designed to investigate marketing methods introduced by Almarai and their and to what extent they are capable to meet customer satisfaction.

Research Hypotheses:

The following hypotheses we put to be tested:

- 1-There is a statistically significant relationship between effective product policies and achieving customer satisfaction.
- 2- There is a statistically significant relationship between effective pricing policies and achieving customer satisfaction.
- 3- There is a statistically significant relationship between effective distribution policies and achieving customer satisfaction.
- 4- There is a statistically significant relationship between effective promotion policies and achieving customer satisfaction.

RESULTS AND DISCUSSION:

Socioeconomic Characteristics of Respondents

Table1 shows that 66.7% of participants are females, 30.6 had secondary education while 58.2 had higher education as diploma, graduate and postgraduate successively. About 72.4 had more than 5 family members, 57.1% and 32.6% are married and single respectively, 91.8% are blew 50 years old.

Test of hypotheses:

Hypothesis No.1: Relationship between effective production methods and customer satisfaction (CS)

Data in table 2 presents the respondents comments regarding the relationship between Almarai production adopted methods to achieve CS. It reveals that the means are ranging from (3.5- 12) for methods 4 and 2 respectively, which means that 'Almarai dairy products are distinguished by high quality compared to other competitors', indicating a statistically significant relationship between Almarai products and CS. The SD is 10.733, shows that most of the respondent comments fall around the mean for all independent variables. This result is in line with Hanif et al., (2010), who commented that Customer satisfaction created once the primary needs of customer met by the supplier. It is also consistent with Gilly & Wolfinbarger, (2003) who indicated that when customers are satisfied with a product or service they buy, they will purchase it again from the same provider in the future.

Hypothesis No. 2: Relationship between effective pricing policies and CS

Table 3 shows that the arithmetic means range between (5.4 -12.5) as the highest arithmetic mean is (12.5) for the method (1), while the lowest average was (4.8) for the phrase (4), which means that Almarai

pricing policy is appropriate and distinct from others. The SD for the method No.1 is 10.733 indicates that most of the respondent comments fall around the mean for all independent variables. This finding is in consistent with Herman et al., (2010), who concluded that customer satisfaction directly influenced by price perception, while indirectly through the perception of supplied goods and/or services. This Result also reveals statistically significant relationship between the price method adopted of Almarai products and CS.

Hypothesis No. 3: Relationship between effective distribution policies and customer satisfaction

Results in table 4 shows that the arithmetic means for the relationship between effective distribution policies and CS range between (5- 4.5), the upper arithmetic mean (5) for the method (2) with SD is 3.316 which means that Almarai products are supplied in good and sound condition at sales points. Thus, indicating statistically significant relationship between the Company production distribution policies and CS.

Table 1: Distribution of Respondents According to the Socioeconomic Characteristics

Variable	F	%	Variable	F	%
Gender			Education		
Male	32	31.3	Able to read and write	02	02.0
Female	66	66.7	Primary	09	09.2
Total	98	100	Secondary	30	30.6
Family size			Diploma	05	05.1
3-5	27	27.6	Graduate	44	44.9
6-8	71	72.4	Postgraduate	08	08.2
Total	98	100	Total	98	100
Marital Status			Age		
Single	32	32.6	19-29	41	42.3
Married	56	57.1	30-39	36	26.8
Divorced	08	8.2	40-49	22	22.8
Widowed	02	2.1	50+	09	8.2
Total	98		Total	98	100

Table 2: Respondents’ responses according to the relationship between production methods to achieve customers’ satisfaction

Method	Mean	SD
Almarai dairy products are witnessing continuous development to achieve CS	5.4	8.414
Almarai dairy products are distinguished by high quality compared to other competitors	12	10.733
Almarai dairy products are packaging methods are environmentally friendly	5.5	3.492
The wide variety of dairy products distinguishes Almarai from others	3.5	2.041
Almarai provides dairy products in different sizes to meet the varying capabilities of consumers	5	2.628

Table 3: Respondents’ responses according to the relationship between effective pricing policies and customer satisfaction.

Type	Mean	SD
Almarai prices are distinct from other competitors	12.5	6.462
Offers provided by Almarai generate customer satisfaction	5.7	4.242
Payment methods introduced by Almarai facilitates the purchase process	9	5.683
Almarai's pricing policy generated customer satisfaction	4.8	6.572

Table 4: Respondents’ responses according to the relationship between effective distribution policies and customer satisfaction

Type	Mean	SD
Almarai products are supplied in various places of sale	3	1.788
Almarai products are available in sound and good condition	5	3.316
Almarai products can be obtained permanently and continuously	4.5	2.607

Easy access to Almarai products in sufficient quantity	4.33	2.607
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Hypothesis No. 4: The relationship between effective promotion policies and customer satisfactio

Results in the table 5 shows the descriptive statistics for the relationship between effective promotion policies and achieving CS. It reveals that the arithmetic means range between (9-7), for methods 1 and 3 respectively with SD (7.469) for the method No.3. These results reveal indicate that Almarai's promotion of its products enhanced sales numbers and its market share, which indicating statistically significant relationship between the promotion of Almarai products and CS.

Table 5: Respondents' responses according to the relationship between promotion policies and customer satisfaction

Type	Mean	SD
Almarai Company uses integrated promotion methods through all means available to customers.	7	5.019
Almarai Company succeeded in convincing customers to demand its products and prefer them over others.	8.33	6.557
Effective promotion of Almarai Company enhanced sales and market share of the company.	9	7.469
Almarai Company was able to resist the promotional efforts of competitors.	8.66	8.983

CONCLUSION AND RECOMMENDATIONS:

The study investigated marketing methods and policies developed and introduced by the Company to meet Customer satisfaction. The study conducted in Riyadh the capital city of the Kingdom of Saudi Arabia, where the bulk of the country population work and live. The findings revealed significant relationship between the (four) marketing methods adopted by the Company (product development, price, and product distribution and promotion policies); and customer satisfaction. Based on the findings, the study proposed some recommendations including: Conducting field studies and continuous surveys to identify the interests and desires of the company's customers and develop its products to be satisfied; exploiting various social media sites to promote the company as it is the most accessible means to the consumer, and it is also the most effective in promotion, and to benefit from modern marketing methods that it has not adopted, such as marketing through celebrities.

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