

Plain talk on branding for SMEs

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IN THE Malaysia External Trade Development Corp (Matrade), we strive to collate and provide information that is of practical use and of real value to our stakeholders, in particular the Malaysian trading community. In most matters related to export promotion and international marketing, it has been relatively uncomplicated for us to come up with information that is pertinent to our clients, irrespective of their size. However, when discussing branding in the context that is relevant to SMEs, the task becomes a little more daunting. A lot can be written about branding but try convincing a struggling SME that branding is important and a strategy worth pursuing, you will often be greeted with a cynical sneer. Talking branding to the business-school types is probably easier. Harvard Business School case studies on the likes of Nike, Coca-Cola & Apple never fail to mesmerise them. Small-scale entrepreneurs are probably preoccupied with more immediate matters such as paying their bank debts, ensuring that their workers will show up for work and making sure their only machine will not break down than about branding. Branding, however, is relevant for the survival and growth of all companies, big or small. One could even argue that branding is even more important for the SMEs. As there is a tendency for SMEs to be congregated in a narrow band of sectors, it is difficult for any of them to stand out. At the recent Malaysia International Halal Showcase (Mihas '09) organised by Matrade, many of the SMEs were displaying very similar products in the food and beverages segment. Price differentials between them were too insignificant to make a difference. How can they then compete for the attention of the hundreds of foreign buyers brought in by Matrade? In fact, the minute one starts a business, like it or not, the business will be "branded" by the market, whether positively or negatively. On a recent drive from Kuala Terengganu to Kuantan, I observed that the narrow road between the two cities was literally lined with stalls hawking 'keropok lekor', 'satar' and 'otak-otak'. What was obvious was that some stalls were quiet, with few or no customers, while others have long lines of people queuing to buy, some arriving in Mercedes, BMWs and Lexus. Why is this the case? Perhaps it is the superior taste of one over the other, perhaps it is the friendliness of the people in the popular stalls or perhaps it is the cleanliness or the way the products were displayed. Whatever it is, it is certainly not because any of the more successful stall owners spending tons of money on advertising and promotion or engaging branding consultants. They probably benefit from the freest and most effective form of brand promotion, which is the 'word-of-mouth' of their customers. However, while these entrepreneurs may have intuitively gotten their branding strategy right, it would be useful for aspiring entrepreneurs and those who want to grow their business to read up on the subject to gain a better grasp of the concept of branding. Again, it does not mean that you have to invest a great deal of money or hire professionals. Check out the subject on the internet or go to the nearest public library and read up on the subject. If you are in Kuala Lumpur, visit Matrade's Business Library where a wide array of reference materials on branding is available. Attend seminars on the subject. Look out for those organised by Matrade where the participation fees are very nominal. (Information on these seminars is available on www.matrade.gov.my) If one finds that some of these literatures confusing or intimidating, I wish to introduce some basic concepts which I hope are plain enough to understand to get one started on this subject of branding. The first fundamental essence of branding is about ensuring that your customer or client has a positive 'experience' from consuming or using your products or services. These experiences should meet the promise that you make when offering your products or services. Whether one is selling roti canai or providing a grooming service, a consistent positive experience will develop an emotional attachment of the consumer or user to your product or service. That will ensure loyalty of the customer to your product or service and, hopefully, through the

sharing of their experiences with their friends or colleagues, will bring in more customers. Remember that it is about consistent experience and not just a one-off encounter. Even during the current challenging business environment, you have to stay consistent and do not confuse your customers about your brand. Secondly, you must be 'different'. One must decide how his or her product is different from the many competitors that exist. What is it that will make one's product unique and sets it apart from the alternatives in the market and that will grab the attention of the customers away from competitors? Once you decide on how your product or service is different, you must articulate or communicate that difference. Again, don't rush to the local radio station or newspapers to place your advertisement. If you sell keropok lekor, displaying your keropok in a transparent plastic container, putting on a chef cap and handling the keropok with vinyl gloves would deliver that message that your products are clean and hygienic and would appeal to customers that are particular about such matters. The final concept sounds a little technical but not that difficult to comprehend. This refers to "touchpoints". Every business contains a number of "touchpoints" when the customer comes in contact with a business, its products or services. Each point of contact will influence the experience of the customer with your product or service. Understand your business processes and identify the touchpoints. Some touchpoints will have a greater influence than others in determining the overall customer experience. For example, for the keropok lekor, the taste, the packaging, the look of the stall, the people manning the stall and parking space are some of the relevant touchpoints but perhaps the taste is more important among these. Even so, do not neglect any touchpoints. All will contribute to the ability of your brand to consistently deliver optimal experience to your customer. Identify the people, processes, and tools that affect each touchpoint and ensure that they are aligned with the experience that you promise your customer. Try to grasp the basic concepts mentioned earlier. It will go a long way towards helping your company build a successful brand. One may ask "What about logos?" A logo is not a brand. Remember that a brand is all about customers' experience and their emotional attachment to the brand. A logo only provides a face to the brand. A professionally designed logo is good but it will not be able to carry all the brand message and impart the positive experience to establish the brand. The use of the case of the keropok lekor should convince you that branding is relevant to all businesses, including SMEs. It is not necessary to spend millions of ringgit on professional experts, nor is it practical for SMEs to do so. This does not mean that successful branding is easy to achieve. Effective brand development takes time. Once successful, similar, if not greater effort, is required to sustain and enhance the position of the brand and the brand has to evolve to remain relevant. Market trends, consumer demands and competitive environment are continuously changing. Your management of the experience, differentiating factors and the touchpoints should also evolve. As your business grows, the range of products you offer will expand, the geographical reach will be larger even extending to foreign markets and competition will become more intense. It will be more difficult to differentiate your products and services and to articulate the differentiating factors, business processes becomes more complicated and the sets of touchpoints more complex. Then you may want to consider seeking professional help. Perhaps by then your business have grown big enough and have the resources to pay for expensive help. Even so, do not make the mistake of absconding from the responsibility of defining the essence of your brand and entrusting it to the consultants. The consultants can help with brand analysis and the framing of the relevant tools. You, as the business owner, should determine the experience that your brand promises as only you can be passionate about the identity of your brand. Be conscious always of the implications or effect of every decision that you make on your company's brands. This discussion on branding for SMEs is not without a broader national implication. As the nation endeavours to move up to the higher income bracket, it is essential that Malaysian businesses are able to command a premium for their products and services in the international markets. Successful branding is one of the ways to achieve that goal. Malaysian SMEs can find inspiration in the internationally successful Malaysian brands such as Selangor Pewter, Khind, Pensonic, Secret Recipe, Mister Potato, Brahim's, TA Furniture, Lewre all of which have their origins as brands of SMEs. * *Datuk Noharuddin Nordin is chief executive officer of Malaysia External Trade Development Corp .*