

**ACHIEVE COMPANY GROWTH USING STRATEGIC  
BRAND MANAGEMENT PROCESS**

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ACHIEVE COMPANY GROWTH USING STRATEGIC BRAND  
MANAGEMENT PROCESS

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Submitted in Partial Fulfilment of the Requirement for the Bachelor Degree of  
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## DECLARATION BY OF ORIGINAL WORK

I declare that this project entitled “Achieve Company Growth using Strategic Brand Management Process” is the result of my own research except as cited in the references The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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Date : .....

## DEDICATION

*Special thanks to my beloved grandmother:*

*Chik binti Jusoh*

*Thanks to:*

*My parents*

*My family members*

*My beloved friends*

*Sincerest thanks to my supervisor:*

*Professor Dr. Salleh bin Yahya*

*Special thanks for all because always giving me the moral support during doing the research.*

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## ABSTRACT

Brand management in small to medium-sized enterprises (SMEs) is an area of study in its early stages. Therefore, considerable has been published about brand management in general, all theory and case studies are based only on multinationals company. Brand management has developed as one of the strategy to give positive impact towards business performance. Effective brand management allows the price of the product to go up and build loyal customers through strong brand awareness of the brand and positive brand associations and images. In order to build a strong brand in SMEs companies there are consist four process known as; identify and establish brand positioning; plan and implement brand marketing programs; measure and interpret brand performance; grow and sustain brand equity. This study is conducted for the purpose of assessing the strategic brand management process contributes towards business performance. A sample of 145 respondents comprises top management and manager in food industries was surveyed using a structured questionnaire as an instrument. The result shows that there is a positive impact of strategic brand management process to the company growth.

## ABSTRAK

Pengurusan jenama dalam industri kecil dan sederhana (IKS) merupakan bidang kajian yang masih diperingkat awal. Walaupun banyak artikel mengenai pengurusan jenama secara umumnya, kesemua teori dan kajian kes adalah berdasarkan syarikat multinasional. Pengurusan jenama dibangunkan sebagai salah satu strategi yang memberikan impak positif terhadap prestasi perniagaan. Pengurusan jenama yang efektif akan membenarkan harga bagi produk meningkat dan membina pelanggan yang setia melalui tahap kesedaran yang kuat terhadap jenama dan perhubungan jenama dan gambaran yang positif. Dalam mewujudkan jenama yang kuat dalam industri kecil dan sederhana (IKS), ia terdiri daripada empat proses yang dikenali; mengenal pasti dan menubuhkan kedudukan jenama, rangka dan melaksanakan program pemasaran jenama, mengukur dan mentafsirkan prestasi jenama, pembesaran dan pengekal ekuiti jenama. Kajian ini dilaksanakan adalah bertujuan untuk menganalisis proses pengurusan jenama strategic terhadap prestasi perniagaan. Sebanyak 145 responden yang terdiri daripada pengurus atau pengurusan atasan dalam industri pemakanan digunakan untuk kajian melalui borang soal selidik. Keputusan menunjukkan bahawa proses pengurusan jenama member impak yang positif terhadap pertumbuhan syarikat.



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## LIST OF ABBREVIATIONS

%	=	Percentage
ANOVA	=	Analysis of Variance
MRA	=	Multiple Regression Analysis
N	=	Number of Respondents
P	=	Significant Value
R	=	Correlation
R <sup>2</sup>	=	R Square
SPSS	=	Statistical Package For Social Sciences



## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1. Background**

##### **1.1.1. Brand**

Nowadays, the majority of firms and organizations have realized the importance of brand as a valuable asset that defines and promotes their products and services. In this complex world and unprecedented market competition, all individuals, customers, business managers and others are facing tremendous choices with less time to know about them. Thus, the ability to differentiate between those options and select the proper option is at the heart of success. Brand is a particular name or sign of product or services provided by companies which simplify consumer decision making, reduce risk, and set expectations is invaluable. Creating strong brands are a platform for establishing a successful product or service, consolidating the company position in the arena of local and global market competition and enhancing the strength of their reputation over time.

To understand branding well then it is significant to distinguish what it brands itself. A trade name is the idea or image of a product or service that consumers associated with, by identifying the name, logo, slogan or design of the company that have the idea or picture. Branding is where the fellowship has to market their idea or image in order to attract attention from consumers and also create their own thought

or image recognizable by more and more people. Moreover, the idea or image of a firm is functioning to identify a certain product or serve when there are many other companies proposing the same product or service.

To succeed in branding, firms need to realize the demands or desires of clients and chances. This is a significant step before firms develop their brand and to ensure that the products or services can compete with other companies. This step can be performed by integrating brand strategy which involves with public contact. Moreover, in achieving the strong brand the firm must hire a look all the aspects of a product or services to suit what is desired by the consumers. Besides that, success of building brand and produce brand awareness will build the firms apply the concept perceived value pricing which means, according to business dictionary the value of good or service depend to how much consumers are willing to compensate for it, rather than upon its output and saving costs.

Branding has been around for centuries as a way to identify the goods of one manufacturer from those other (Keller, 2008, p. 2). According to the American Marketing Association (AMA), a brand is a "name, sign, symbol, or design, or combination of the intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition". Branding has been common practice since medieval times, when craftsmen market their goods and artists signed their working order to differentiate their products from those of other competitors. The brand is one way to create awareness, reputation and prominence by offering added value to make consumers feel satisfied, confident, and status when using a product or services.

Brand development performed by each entrepreneur in achieving the company's growth has been a trend in Malaysia. This movement takes on a significant role in order to maximize their profit and at the same time to develop awareness about their merchandise. Taking the track today, develop brand it is a very costly procedure, but has many returns one success is reached. Even though, the company will have to pay a high price in the process of developing a brand, but it will give an enormous positive impact on a long term results. The brand also is one of the most important assets, owns by the company apart from other assets such as build

ing, machinery, vehicle and so onward. A firm with high brand equity achieves high perceptions of the brand by the customers, greater loyalty from customers, less vulnerability to competitors' marketing actions, high profit margins, less negative reaction from customers to price increases, higher support of middleman, higher marketing promotion effectiveness, increasing licensing and brand extension opportunities (Keller, 2008, p. 49)

Brand is not only producing a product, but it's also related to the value and status, which consumer will perceive by using it. Most firms can create a product similar with one and another, but what differentiate them is the customer feel and confident towards the product. A brand is therefore more than a product because it can have dimensions that distinguish it in some way from other products designed to meet the same need (Keller, 2008, p. 5). These differences may be tangible or intangible, functional or rational, in other word associated with product performance of the brand and what the brand stands for. Brands represent value for customers and companies, usually referred to as customer-based and financial-based brand equity, respectively.

To develop a strong and successful brand, there are a few steps called strategic brand management. Strategic brand management involves the innovation and execution of marketing programs and activities to build, measure, and manage brand equity (Keller, 2008). Hence, the four principal steps in strategic brand management are; identifying and establish brand positioning; plan and implement brand marketing programs; measure and interpret brand performance; produce and sustain brand equity.

### 1.1.2 Small and Medium Enterprises (SME)

Generally there is no accepted worldwide definition of SMEs (Hooi, 2006; Omer and Ismail, 2009). However, in Malaysia, the definition of SMEs is mainly based on annual sales turnover and total number of full time (Hashim and Abdullah, 2000, SEMCORP, 2008). According to Hashim (2000), SMEs in Malaysia can be

segregated into three main sectors such as general business, manufacturing and agriculture. In Malaysia, according to Small and Medium Enterprises Corporation Malaysia (SMECORP, 2008), 5-50 full time employees engaged by the enterprises are contemplated as small while 50-150 full time employees engaged by the enterprises are contemplated as a spiritualist. These SMEs is further categorized into medium-sized companies, small enterprises and micro enterprises and this is as indicated in Table 1.1.

	Annual Sales Turnover	Number of Full-Time Employees
<b>Micro</b>	Less than RM250,000	Less than 5 employees
<b>Small</b>	Between RM250, 000 and less than RM10 million	Between 5 and 50 employees
<b>Medium</b>	Between RM10million and RM25million	Between 51 and 150 employees

Table 1.1: Definition of Small and Medium Enterprises in Malaysia

Small and medium enterprises (SME) can be grouped into three classes which are micro, small and medium. All three groups are sorted based on the figure of workers or employees and total sales revenue of a business within a twelvemonth. SMEs have several categories which are manufactured, manufacturing-related services and agro-based industries, services, primary agriculture and information & communication Technology (ICT). The differentiation of those categories is based on the number of workers and annual sales turnover within a year. For SMEs in the manufacturing, manufacturing related services and agro-based industries are enterprises generally have full-time employees that not exceed 150 and annual sales turnover doesn't exceed RM 25 million, while SMEs in the services, primary agriculture and information & communication technology (ICT) sectors must have full-time employees that not exceed 50 and annual sales turnover not exceed RM 5

million.

As we experience, all SME companies in Malaysia are placed under the Ministry of International Trade and Industry (MITI) since this ministry is working to encourage the growth of small and medium enterprises (SMEs) by providing infrastructure facilities, financial assistance, consultative services, market access and other livelihood programs. Moreover, the ministry aims to develop competent and resilient Malaysian SMEs to be competitive in the worldwide market. SMEs are consequential to almost all economies in the world, but especially to those in developing countries.

SMEs Malaysia provides information on all aspects of SME development, including financing, consultancy, training programs, business opportunity, networks and SME development program/initiatives of the government and the private sector. SME Corporation Malaysia is the Secretariat to the National SME Development Council (NSDC). SME Corporation Malaysia plays an important role in development and enhances the entrepreneurs. One of the roles of the SME Corporation Malaysia is supervised coordination of efforts for a comprehensive SME development among all ministries and agencies. Furthermore, SME Corporation also formulates policies and strategies to improve the coordination and implementation of SME development initiatives. Last but not least, SME Corporation is functioning to formulate and implement comprehensive SME financing policies to access for SMEs in all sectors of the economy.

SME companies known as a major sector that contribute to growth in Malaysia's economy. There are a total of 548,267 SME companies in our country that constitute 99.2 percent of the total business establishments (SMECORP). SME companies also contribute to over 32 percent of the Gross Domestic Product (GDP), 56.2 percent of employment and 19 percent of the country's total exports. This information demonstrates that the use of SMEs is considered as the mainstay of the economy (Radam et al., Adam et al. 2008). Therefore, SMEs should not be underestimated as if they have no impact on the economic growth of Malaysia where these data have demonstrated the importance of SMEs in our nation.

### 1.1.3 Successful Brand under SME

Malaysia is one of Asian region countries witnesses a rapid economic development, which owed to several constituents and at the core of them is to the growth of successful SMEs. Most SMEs started as a local favourite and then extend their footprint across the area. They are several examples of well-known brands in the Malaysian SMEs, including Secret Recipe, Smart Reader, and Padini group. The sustainability of SMEs is a core factor of their success and growth, notably in the local market as well as in the global market. However, this mission is always associated with unbearable challenges such as cost and time expenses. Therefore, it requires more than just regulation or government encouraged to include the evolution of successful brand that identifies the quality of their merchandise and services.

Some of Malaysian SMEs bridged the gap of market competition and developed their brand to become globally rather than locally only. For instance, Secret Recipe is one of the Malaysian SMEs which was founded in 1997. It has successfully expanded its line of work through opening several branches in the Asia region such as Singapore, Brunei, Manila, Bangkok, Jakarta, Shanghai and Melbourne. Nowadays the Secret Recipe Company is offering its services through 280 stores in the aforementioned countries. The main products that offered by this company are café, cakes. It also offers other meals and beverages. Secret Recipe is targeting the urban regions and its services are available in prime urban neighbourhoods and shopping malls in major cities regionally.

Another lesson of successful SMEs that has got its brand globally is the Smart Reader, which known as an educational establishment. It was established in 1988 by Dalton' Sri Richard Ong and Datin Sri Dato' Dr KH Wang. The company was established with mission developing the educational system through expanding English Programme into the international arena. This firm tagged as Every Child's Dream School, where Smart Reader the only educational institutions that emerged very aggressive and is recognized by the Malaysian Book of Records as the largest chain child enrichment centres in Malaysia. Smart Reader worldwide has also extended its wings internationally by having 150 franchise centres in the China, Philippines,

China, Thailand, Brunei, and the Middle East despite Smart Reader already has more 300 franchise centres in Malaysia.

Padini start a business as a manufacturer, trader and supplier of apparel to retailers and distributors. The company then ventured into the distribution and retailing their own apparel brand and further demonstrate their own trade name based on niche users in Malaysia. Now, Padini group lead other companies in multi-billion textile and clothing industry in Malaysia and Padini Group already has nine labels, namely Padini, PadiniAuthentics, PDI, P&Co, Seed, Vincci, Vincci Accessories, Tizio, Miki Kids and Brands Outlet. Moreover, Padini Group also expands their business with open 330 freestanding stores, franchised outlets and consignment counters in Malaysia and around the world. Padini Group proudly carries the Malaysian product abroad in Bahrain, Brunei, Cambodia, Egypt, Pakistan, Indonesia and so forth.

With the inspiration from the examples discussed, Malaysia has taken the next step to push the current SMEs to the next level to expand their business and at the same time to achieve company growth. Still, moving forward, the growth drivers are likely to change. SMEs is presumed to play an important economic agent in order to achieve a high income nation status. The role of SMEs is not only focused on generating local income and even become more important as an enabler of growth by providing the support of large firms, but also as a driver of economic growth.

Malaysia's integration with worldwide production network involves the upgrading of SMEs from second-and third-tier suppliers to first-tier providers who serve the directly to major companies in the value chain, large houses and multinational societies. With this integration will help SMEs perform more advantageous and increase the capability of SMEs to compete globally. Thus, SMEs development is significant in achieving a more balanced and comprehensive growth by addressing the micro enterprises. In order to achieve a high-income nation status, the government should provide various support systems and aids to push the SMEs to the next level and increase their contribution to the overall economy.

Thus, the implementation of appropriate process or ways needs to be

emphasized when developing a strong brand. Strong brand names lead competitive advantages (Lee and Back 2010). There is no question that creating, building a strong brand can give a huge impact towards company while competitive advantage will make a company an edge over its challengers and an ability to generate greater value for the firm and its stakeholders. Competitors will find difficulties regarding to neutralize the advantage if firms have more sustainable of competitive advantage.

## 1.2 Problem Statement

These days, SMEs companies have grown so rapidly through government support, technological changes and entrepreneurial influences. As highlighted above, SMEs companies are a major sector that contributes to the Malaysian economy, GDP and employment. They already hit a height and not the total of Malaysian SMEs is 548,267 companies which forms 99.2 percent of the total business establishment (SMECORP). Mention from this statement, the researcher can conclude that numerous SMEs companies established in Malaysia provide several of products and service. Yet from this statement the number of brands in our local market should be half or more than the number of companies but the interrogative sentence is where the brand gone?

According to Muhammad et al., (2010) many previous studies for example Saleh and Ndubisi (2006); Samad (2007); Abu Bakar et al. (2006); Aris (2006); Harvie (2004); Wang (2003); Stuti (2005); Wafa et al. (2005); Ritchie & Brindley (2000); Decker et al. (2006); Foon (2006) and SMIDEC (2007), the problem that faced by most SMEs in Malaysia from then until now, is a unsystematic account system, lack of funds, deficiency of managerial, low productivity, and difficult in access management. Even though Small and Medium Industries Development Corporation (SMIDEC) provide entrepreneurial programs to enhance entrepreneurial, but several of them can't manage their company very well. There are several main challenges confronting SME companies' market access, advancement of technology, innovation and creativity, access to financing, access to information and human resource development. Through the statement mentioned, is there any factors that influence the