

**NURAIN SYAFINAZ BINTI JEFFRI**

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**TRADEMARK AS THE MARKETING TOOLS  
TO ENHANCE THE SMALL AND MEDIUM  
ENTEPRISE (SME) IMAGE**

**NURAIN SYAFINAZ BINTI JEFFRI**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

We hereby declared that we have read this thesis and in our opinion, this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technology Management (High Technology Marketing)

Signature : \_\_\_\_\_

Name of Supervisor : DR. NORAIN BINTI ISMAIL

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

Name of Panel : IR. BUDIONO HARDJONO

Date : \_\_\_\_\_

TRADEMARK AS THE MARKETING TOOLS  
TO ENHANCE SMALL AND MEDIUM  
ENTERPRISE (SME) IMAGE

NURAIN SYAFINAZ BT JEFFRI

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## DECLARATION

“I hereby declare that this project paper is the result of my own research except  
as cited in the references”

Signature :

Name : NURAIN SYAFINAZ BINTI JEFFRI

Date :

## DEDICATION

I dedicate this thesis to my family, especially to my parent Mr. Jeffri bin Mat Adam and my loving mother Mdm. Halimah binti Sidek that gives the moral support and motivation in order to complete this research; lecturer at UTeM, especially for my supervisor Dr. Norain binti Ismail of valuable guidance and knowledge to complete this research friends and those people who have guided and inspired me throughout my journey of education.

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## ABSTRACT

Trademark is used as a marketing tool to enable customers in recognizing the product of a particular trader (Intellectual Property Corporation of Malaysia (MyIPO), 2015). In this study, trademark is important as the brand identification to enhance small and medium enterprise (SME) image. Small and medium enterprise (SME) are an important contributor to the development of Malaysia with 97.3% (645,136) business establishments in the country are small and medium enterprise (SME) (Department of Statistics Malaysia, 2014). The objectives of this study are (1) to identify the effectiveness of the trademark as the marketing tools, (2) to study the factors to use the trademark as the marketing, and (3) to suggest the strategies to use the trademark as the marketing tools. The effectiveness of trademark as the marketing tools such as brand identity, brand loyalty and brand image. Meanwhile the factors to use the trademark as the marketing tools such as brand as product, brand as organization and brand as symbol. The effective strategy to use the trademark as the marketing tools is word-of-mouth strategy. This study used explanatory research design with qualitative research method by in-depth interview with semi-structured interview questionnaire. Four respondents in the middle level manager of Small and Medium Enterprise (SME) are chosen to get in-depth information about trademark.

Keywords: Trademark, Marketing Tools, Brand Identity, Brand Loyalty, Brand Image, Brand as Product, Brand as Organization, Brand as Symbol, Word-of-Mouth Strategy

## ABSTRAK

*Cap Dagangan digunakan sebagai alat pemasaran yang membolehkan pengguna mengenali produk daripada peniaga tertentu (Perbadanan Harta Intelek Malaysia (MyIPO), 2015). Dalam kajian ini, tanda perniagaan adalah penting sebagai jenama untuk meningkatkan imej Perusahaan Kecil dan Sederhana (PKS). Perusahaan Kecil dan Sederhana (PKS) merupakan penyumbang penting kepada pembangunan Malaysia dengan 97.3% (645,136) pertubuhan perniagaan di negara ini adalah Perusahaan Kecil dan Sederhana (PKS) (Jabatan Perangkaan Malaysia, 2014). Objektif kajian ini adalah (1) untuk mengenal pasti keberkesanan cap dagang sebagai alat pemasaran, (2) untuk mengkaji faktor-faktor untuk menggunakan cap dagangan sebagai pemasaran, dan (3) untuk mencadangkan strategi untuk menggunakan cap dagangan sebagai alat pemasaran. Keberkesanan cap dagang sebagai alat pemasaran seperti identiti jenama, kesetiaan jenama dan imej jenama. Sementara itu faktor untuk menggunakan cap dagangan sebagai alat pemasaran seperti jenama sebagai produk, jenama sebagai organisasi dan jenama sebagai simbol. Strategi yang efektif menggunakan cap dagang sebagai alat pemasaran ialah strategi perkataan kepada mulut. Kajian ini menggunakan reka bentuk penyelidikan penerangan, kaedah penyelidikan kualitatif melalui temu bual secara mendalam dengan menggunakan soalan temu duga separa berstruktur. Empat responden dalam pengurus peringkat pertengahan dari Perusahaan Kecil dan Sederhana (PKS) dipilih untuk mendapatkan maklumat dengan lebih mendalam tentang cap dagangan.*

*Kata Kunci: Cap Dagangan, Alat Pemasaran, Identiti Jenama, Kesetiaan Jenama, Imej Jenama, Jenama sebagai Produk, Jenama sebagai Organisasi, Jenama sebagai Simbol, Strategi Perkataan kepada Mulut*



## TABLE OF CONTENT

CHAPTER	TITLE	PAGE
	<b>DECLARATION</b>	<b>ii</b>
	<b>DEDICATION</b>	<b>iii</b>
	<b>ACKNOWLEDGEMENT</b>	<b>v</b>
	<b>ABSTRACT</b>	<b>vi</b>
	<b>ABSTRAK</b>	<b>vii</b>
	<b>TABLE OF CONTENT</b>	<b>viii</b>
	<b>LIST OF TABLES</b>	<b>xii</b>
	<b>LIST OF FIGURE</b>	<b>xiii</b>
	<b>LIST OF ABBREVIATIONS</b>	<b>xiv</b>
	<b>LIST OF APPENDICES</b>	<b>xv</b>
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Introduction of the Study	1
	1.2 Problem Statement	3
	1.3 Research Question	4
	1.4 Research Objectives	4
	1.5 Scope and Limitation	5
	1.6 Key Assumptions of the Study	5
	1.7 Importance of the Study	6
	1.8 Summary	6

<b>CHAPTER</b>	<b>TITTLE</b>	<b>PAGE</b>
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
2.1	Introduction	7
2.2	Background of Intellectual Property	8
	2.2.1 Type of Intellectual Property	9
2.3	Definition of Trademark	10
	2.3.1 Functions of Trademarks	10
2.4	Trademark as the Marketing Tools	11
2.5	Small and Medium Enterprise (SME) in Malaysia	12
	2.5.1 New Definition of Small and Medium Enterprise (SME)	13
	2.5.2 Key Statistics on Small and Medium Enterprise (SME)	14
2.6	Effectiveness of Intellectual Property as the Marketing Tools	16
	2.6.1 Brand Identity	16
	2.6.1.1 Brand Name	17
	2.6.1.2 Logo and Slogans	17
	2.6.1.3 Website	18
	2.6.2 Brand Loyalty	19
	2.6.2.1 Types of Loyalty	20
	2.6.2.2 Concepts of Loyalty	20
	2.6.3 Brand Image	20
	2.6.3.1 Awareness	21
	2.6.3.2 Recognition	21
	2.6.3.3 Symbolic Benefits	22
2.7	Factors of Trademark as the Marketing Tools	22
	2.7.1 Brand as Product	22
	2.7.2 Brand as Organization	23
	2.7.3 Brand as Symbol	24

<b>CHAPTER</b>	<b>TITTLE</b>	<b>PAGE</b>
2.8	Strategy of Intellectual Property as the Marketing Tools	25
2.8.1	Advertising Strategy	25
	2.8.1.1 Print Media	26
	2.8.1.1 Internet Media	27
2.8.2	Public Relation Strategy	30
	2.8.2.1 Sponsorship	31
2.8.3	Promotion Strategy	31
	2.8.3.1 Consumer Promotion	32
	2.8.3.2 Trade Promotion	33
2.9	Operational Variable	35
2.10	Theoretical framework	36
2.11	Summary	37
<b>CHAPTER 3</b>	<b>RESEARCH METHODOLOGY</b>	<b>38</b>
3.1	Introduction	38
3.2	Research Design	38
	3.2.1 Explanatory Research	39
3.3	Qualitative Research Method	40
	3.3.1 Types of Interview	40
	3.3.2 Face-to-face Interview	42
3.4	Primary Data Sources and Secondary Data Sources	43
	3.4.1 Primary Data	43
	3.4.2 Secondary Data	44
3.5	Location of the Study	45
3.6	Time Horizon	46
3.7	Research Strategy	47
	3.7.1 Sampling Design	47

<b>CHAPTER</b>	<b>TITTLE</b>	<b>PAGE</b>
3.8	Pilot Testing	48
3.9	Scientific Canons	49
3.9.1	Validity	49
3.9.1.1	External Validity	50
3.9.1.2	Internal Validity	50
3.9.1.3	Construct Validity	50
3.9.2	Reliability	51
3.10	Summary	52
<b>CHAPTER 4</b>	<b>DATA ANALYSIS AND DISCUSSION</b>	<b>53</b>
4.1	Introduction	53
4.2	Background of Respondents	53
4.3	Results and Discussion	54
4.3.1	Effectiveness of trademark as the Marketing Tools	54
4.3.1.1	Brand Identity	55
4.3.1.2	Brand Loyalty	58
4.3.1.3	Brand Image	61
4.3.2	Factors of Trademark as the Marketing Tools	63
4.3.2.1	Brand as Product	59
4.3.2.2	Brand as Organization	65
4.3.2.3	Brand as Symbol	66
4.3.3	Strategies of Trademark the Marketing Tools	68
4.3.3.1	Advertising	68
4.3.3.2	Public Relation	71
4.3.3.3	Promotion	72
4.3.3.4	Word-of-Mouth	74
4.4	Summary	75

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE</b>
<b>CHAPTER 5</b>	<b>CONCLUSION</b>	<b>76</b>
5.1	Introduction	76
5.2	Summary of Research Findings	76
5.2.1	Effectiveness of Trademark as the Marketing Tools	76
5.2.2	Factors to use Trademark as the Marketing Tools	77
5.2.2	Strategies of Trademark as the Marketing Tools	77
5.3	Conclusion	78
5.4	Significant of Study	79
5.5	Recommendation	80
5.6	Summary	81
	<b>List of References</b>	<b>82</b>
	<b>Appendices</b>	<b>85</b>

**LIST OF TABLES**

<b>TABLE</b>	<b>TITLE</b>	<b>PAGE</b>
2.1	The Annual Sales Turnover and Number of Full-time Employees	13
2.2	The Statistics Number of Establishment by Sector	14
2.3	The Number of Small and Medium Enterprise Establishments by State	15
2.4	The Operational Variables	36
3.1	Gantt Chart PSM 1	46
4.1	The Background of Respondent	54
4.2	Effectiveness of Trademark as the Marketing Tool	54
4.3	Factors of Trademark as the Marketing Tool	63
4.4	Strategies of Trademark as the Marketing Tool	68

**LIST OF FIGURES**

<b>FIGURE</b>	<b>TITLE</b>	<b>PAGE</b>
2.1	Theoretical Framework	36

**LIST OF ABBREVIATIONS**

<b>ABBREVIATIONS</b>	<b>DETAIL</b>
IP	Intellectual Property
SME	Small and Medium Enterprise
MyIPO	Intellectual Property Corporation of Malaysia
WIPO	World Intellectual Property Organization



**LIST OF APPENDIX**

<b>APPENDICES</b>	<b>APPENDIX</b>	<b>PAGE</b>
A	Interview Questionnaire	85
B	Gantt Chart PSM 2	87

## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction to the Study

Intellectual Property (IP) is used everywhere in the economy of Malaysia such as food and beverage, manufacturing, agriculture, livestock, forestry and fishery, electricity, gas and water supply and other industry. This is because intellectual property is important to the marketing. From the viewpoint of Malaysia countries, intellectual property protection may bring many benefits if they create and utilize their own intellectual property in their company. The intellectual property of the product is provided by the successful implementation of creative idea within an organization.

Intellectual property for a product is provided by the successful implementation of creative idea within an organization. Intellectual property refers to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce. Intellectual property is divided into two categories which is an industrial property includes patents for inventions, trademarks, industrial designs and geographical indications (World Intellectual Property Organization (WIPO)). Besides, the copyright covers literary works and architectural design. Basically, the intellectual property of marketing tools is focused to trademark (™). The marketing tools are including the marketing mix such as price, place, promotion and product to pursue its marketing objectives in the target market. The law for intellectual property protection is Trademarks Act 1976. A trademark is a sign which

distinguishes the goods and services of one trader from those of another. A mark includes words, logos, pictures, names, letters, numbers or a combination of these. Trademark can divide into four types, which are service marks, collective marks, certification marks and well-known marks. A trademark is used as marketing tools to enable customers in recognizing the product of a particular trader. Functions of trademark play as an important role in advertising. It's normal for consumers to make purchases based on the continuing influence of advertising (Intellectual Property Corporation of Malaysia (MyIPO), 2015). Besides, the trademark is the basis for building a brand image and reputation. The duration of registration, trademark has been valid for ten years from the date of application and may be renewed every ten years. Registered trademarks are shown by the symbol ® whereas the symbol (™) indicates that the word or logo referred to is not necessarily registered (Intellectual Property Corporation of Malaysia (MyIPO), 2015).

The purpose of the study is to review the trademark as the marketing tools in the Small and Medium Enterprise (SME). In this study, the researcher will discuss about how the effectiveness of trademark and factors to use the trademark as the marketing tools to enhance Small and Medium Enterprise (SME) image. Through the qualitative research method, comprising inductive analysis and explanatory research with a broad range of respondent which is the middle level manager and also theoretical framework of this study.

In this study, trademark is one of the intellectual property would be more related to the brand of the product. Brand is something that is exceptional and able to attract people towards a certain product. It is an intangible asset that is more powerful than the real product. Today, it is much easier to sell brand instead of selling the real product because the consumer will tend to be influenced by brand instead of product or service.

## 1.2 Problem Statement

Nowadays, competition in global level that getting competitive, especially in for Small and Medium Enterprise (SME) in Malaysia is very fast but the process of developing the product itself is very low compared to another country, such as China. Small and Medium Enterprise (SME) is still a lack of well-known trademarks and intellectual property rights, and even some companies do not have a registered trademark. They only participate in the production in the downstream of the chain of production in the industry. So the profit margin and market share are far lower than the famous brand enterprise. It is difficult for the Small and Medium Enterprise (SME) to break through the barriers in the development the business. According to Minister of Domestic Trade Datuk Seri Ismail Sabri Yaakob, there are large percentages of Small and Medium Enterprise (SME) in Malaysia that are unaware the importance of protecting their intellectual property, either in terms of patent, trademark, copyright as well as geographical indication (Jalil, 2010).

The problems stated here is the Small and Medium Enterprise (SME) does not consider the trademark really seriously. Small and Medium Enterprise (SME) generally lack awareness of intellectual property issued and their implications for product, development, product design, service delivery, marketing, raising financial resources, exporting and licensing or franchising. They do not know how effectiveness trademark as the marketing tools is in making their business more advances and to be the people's choice. Companies also do not know how to ensure that there is no leaking of their trademark information, especially when the company has many competitors. In the new era, people will do anything to compete and beat their competitor.

Many various ways have been taken in order to make sure that the trademark can give benefits to the company. Here, the effectiveness of the trademark as the marketing tools becomes a role in making the product of Small and Medium Enterprise (SME) more well-known. There are many competitive advantages when a company registers the intellectual property to the product of a company which is customer loyalty, brand identity, increase profit and expand markets.

Malaysia has put in place of a comprehensive set of intellectual property laws, regulations and practices in compliance with its obligations under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. In 2015, International IP Index Fact Sheet Global Intellectual Property Centre (GIPC) of the United States Chamber of Commerce gave an overall score of 14.62 points for Malaysia. Malaysia country has a low index between other countries. Small and Medium Enterprise (SME) should explore new opportunities, penetrate new markets and maintain market share to survive in the current situation. Besides, the Small and Medium Enterprise (SME) also must create new ideas and innovation to upgrade the brand image of the product to enhance the company image.

### **1.3 Research Questions**

- 1) How effectiveness the trademark as the marketing tools?
- 2) What are the factors to use the trademark as the marketing tools?
- 3) What are the strategies to use the trademark as the marketing tools?

### **1.4 Research Objectives**

- 1) To study the effectiveness of the trademark as the marketing tools.
- 2) To study the factors to use the trademark as the marketing tools.
- 3) To suggest the strategies to use the trademark as the marketing tools.

## 1.5 Scope and Limitation

The scope of this study is to identify the effectiveness of the trademark as the marketing tools. The researcher focuses on the factors to use the trademark as the marketing tools and suggest strategies to use the trademark as the marketing tools to enhance Small and Medium Enterprise (SME) image.

The target respondent of this study is the middle level management, which is the marketing and sales manager of Small and Medium Enterprise (SME). This is because the marketing and sales manager is the people who are responsible to handle the intellectual property issues. There will be qualitative research and interview about the trademarks of the chosen company. The company that's been chosen is the food industry in Malacca because this industry contributes to generate nation income.

In this study, there are several limitations. Firstly, the study used a limited sample with the focus only for Small and Medium Enterprise (SME) because this sector monopoly the business in Malaysia, the study may not appropriate for large or international company that provide a same product. The study is also limited to the food and beverages sector due to the focus area is in food industries. Furthermore, period of time is also limited because the researcher is given the short period to do this study.

Besides that, the place of this study is also limited to Malacca. This study may not be acceptable used for study in the other area state of Small and Medium Enterprise (SME) in Malaysia. In future researches may test the influences of trademark for other state and industry in Malaysia.

## 1.6 Key Assumptions of the Study

The researcher assumes the respondent will be honest to answer the questions. In addition, the researcher hopefully the respondent can give cooperation to answer the question and get more information about this study. This section also

gives advantages to the company to improve their brand image and company reputation by use the trademark as the marketing tools for their company.

### **1.7 Importance of the Study**

Trademark is important to the company to do innovation and use the marketing tools for their brand. The importance of this research is to give the benefits and ideas for the company to know how effective the trademark as the marketing tools for their company. Besides that, using trademark as the marketing tools can enhance the company reputation and profit. Thus, the company can become more competitive by adopting the strategies to use the trademark as the marketing tools.

This study will be helpful to governments to determine action be taken to promote intellectual property strategy such as to increase intellectual awareness, educate the people and companies on intellectual benefits and incentive.

### **1.8 Summary**

Intellectual property is important in every company, especially in the food industry. Most of the companies do not know that they need to register the trademark of their products. The effectiveness of intellectual property as marketing tools will make every company more competitive.

In chapter 1, it will show briefly on what the research is all about. It is only about the introduction of the research. It will guide on how the research will be conducted.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

Trademark is used as the marketing tools to enhance Small and Medium Enterprise (SME) image for Malaysia countries. Many theories have explained about the intellectual property. According to Mullins et al (2010), marketing is vital for a company's ongoing success and to achieve sustainable profit for long term. This is because marketing is trying to anticipate and get to know the requirements of customers by customizing goods or services that will satisfy their needs. In short, marketing is simply the activities which the firm is doing in order to find out the need and want of the targeted customers by customizing the right mix of their product offerings with the right pricing that the customers are willing to pay, key messages that are easy to understand, and the right distribution channels to ensure availability at the location where the customers preferred (Rosenbloom and Dimitrova 2011).

In this study, the researcher is focused to the effectiveness and factors trademark as the marketing tools to enhance the Small and Medium Enterprise (SME) image. There are a lot of explanations about trademark that are not generally known by most people. There are many kinds of the use of the trademark. In Small and Medium Enterprise (SME), trademark as the marketing tools is important to make sure that the company has their competitive advantage compared to other