

An Investigation towards Brand recognizance and loyalty on Malaysia's Small and Medium Enterprises' (SME) products

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Abstract

Small and Medium Enterprises (SME) represents about 85% of the Malaysian economic establishment besides contribute 32% to the nation economic growth and is expected to be the private sector-led which requires more involvement from this sector. The Malaysian government have outlined the plan for SMEs as to achieve as a high-income economy in 2020. However, there have been a few challenges faced by the Malaysian SMEs. Their products are facing difficulties in penetrating into the local market itself besides having to compete with other established products from abroad, due to weak design features in packaging. This was resultant because consumers are well educated and very conscious about their food consumption and weighs in heavily onto their product preferences. These consumers will scrutinize the labels to seek detailed information regarding ingredients and nutritional contents prior to purchasing. In this context, the visual information displayed on the packaging plays an important role as product appearance provides a first impression of the product and persuasion to buy. What are the consumers' perception towards Malaysia's SMEs product appearance? This investigation may benefit the SMEs entrepreneur to understand the strength of brand design value and visual elements in the packaging of a product plus to the designers in creating communicable design by way of the consumer's visual desires.

Keywords

Consumer's Perception – Brand Recognizance - Small and Medium Enterprises (SME) - Product Appearance – Brand Loyalty

1.0 Introduction

As any other country, Malaysia is by vision its prime minister to achieve as a high-income country in 2020. Small and Medium Enterprises (SME) represents about 85% of the Malaysian economic establishment besides contribute 32% to the nation economic growth and more involvement from this sector is needed. (www.seminfo.com.my, February 14, 2015) The Malaysian government have outlined the plan for SMEs and provides assistant in enhancing operation efficiency, marketing and promotion, financing, training and consultation. Yet, there are few challenges faced by SMEs. The Malaysia's SMEs products face difficulties in penetrating the local market itself besides having to compete with other established products from abroad, mostly due to weak in packaging in branding. (www.smeblog.nst.com.my, retrieved on 14 February 2015) The SMEs products fail to draw attention in which some offer similar quality as the products abroad. For example, the coffee drink brand of Nescafe and CoffeeMix. Nescafe is a product by Nestle, originating from Switzerland. (www.nestle.com.my, retrieved on 19 August 2015) CoffeeMix is the first 3 in 1 instant coffee brand in Malaysia. (www.matrade.gov.my, retrieved on 19 August 2015). Through a random observation, Nescafe has produced more marketing and promotions using variety of media than CoffeeMix that hardly notice at any media. With the tagline of 'Start your day', Nescafe position itself as a starter that promise to boost energy and freshness in every cup and convinces the consumer believe that product give satisfaction as claimed. On the other hand, CoffeeMix has only advertised in printed media and for a few selected events. This also gives an impact to the product's reach and consumer's perception, which influences their purchasing behavior. There are six (6) elements of product appearance for consumers that are identified in previous research, which are (1) aesthetic value, (2) metaphor, (3) ergonomic information, (4) attention drawing, (5) functional and (6) categorization. (Journal of Product Innovation Management, retrieved from www.google scholar.com on 18 August 2015) It also mentioned that the aesthetic value of the product besides metaphor or symbolic elements placed in a product gives a highly impact to the product choice. It can be concluded that those six elements mentioned is as a holistic packaging design for a product. A product with good aesthetic value (which included colours, shape and size), with symbolic or metaphor logo which draw attention to consumers and also an ergonomic information about the product were believed to be sufficient to influence the consumers purchasing behaviour.

However, promotion and advertising needs a lot of additional investment, which SMEs entrepreneur cannot afford. SMEs are discovered to utilise only 7% of total capital for advertising that is mostly from medium enterprises and 77.3% never did any promotions. (www.statistic.gov.my, retrieved on 23 February 2015) This is why packaging design can carry its roles to build the brand and try to survive competing with other brand over the shelf. Packaging is known to be important as to protect the product physically from damage and maintaining the quality of the product. Packaging can be an effective communication medium for brand proposition that is most regularly seen by the consumers. (Walsh, 2005)

The design in packaging plays an important role when some products facing some constrain to advertise a product or even all the different flavours of a brand. Design components in packaging design are the initiatives that are used for the brand to stand out from the crowd. (Gerstman and Meyers, 2005) By having the most attractive packaging design for a particular product, may help the product speak for itself without need for extra promotion. This is also benefit to the SMEs entrepreneur where they do not have to invest extra for marketing and promotion. Packaging design as to labelling is important for a product where packaging design will attract attention of the consumers to see the product by the use of its colour, catchy logo, attractive graphic and many more. Moreover, labelling guidelines is also important since the consumers nowadays are well educated and very conscious about their food consumption thus this also contribute to their product preferences. Today, consumers will analyse the labels to find out more about ingredients and nutritional contents prior to purchasing. In this context, design elements & value plays an important role as product appearance provides the first impression of the product and persuasion to buy.

There are effects steps created by Robert J. Lavidge and Gary A. Steiner in 1961. They found that these six (6) effect steps from viewing a product towards the end influence the purchasing behaviour. (Retrieved from <http://www.learnmarketing.net>, September 22, 2015) The six (6) steps are (1) Awareness, (2) Knowledge, (3) Liking, (4) Preference, (5) Conviction and (6) Purchase. As to introduce a ne product in the market, there are various types of media that can be used to reach targeted consumers which create the *awareness* of the new product. The consumers begin to have the *knowledge* about the product. Through catchy tagline and mix marketing used will encourage the consumer to *like* the product. The consumers may *prefer* the product if the advertisement successfully attracts their attention as for them to differeiate the new product from other similar product from existing brands. It also create the *conviction* to purchase whenever it able to convince the consumers through tester or sample of the product. After through the stages above, it depend to the consumers wether to *purchase* or not.

Hence, what are the consumers' perceptions towards SMEs product's appearance? Does the key attributes relates to the hierarchy of effect model? This investigation may benefit the SME entrepreneur to understand the strength of brand value and visual element in a product. In addition, the designers involved are able to create an essentially communicable design by way of the consumer's visual desires. To start with, this research will explore the consumer's brand recognizance in to order to seek for the key attributes in the consumer's perception before purchasing. Consequently, these purchasing patterns will also result the brand loyalty besides contributing the the sales growth.

2.0 Investigative Objectives

This investigation aims :

1. To identify what are the consumer's brand recognizance towards Malaysia's SMEs product
2. To explore the brand loyalty using specific design preference from the consumer's brand recognizance
3. To improvise the design framework for packaging design that is applicable for Malaysia's SMEs products

3.0 Significant of the Research

This research is aim to seek the key attributes that impacts the brand recognizance towards brand loyalty of the Malaysia's SMEs products, which also beneficial for SMEs align towards competitiveness of Malaysia's brand in the global market. Previous research that have been done recommend a further study to measure the competitiveness of Malaysia's SMEs in facing the global challenges.

Hence, this research is expected to explore the key attributes that also reflect in the hierarchy of effect model which are introduced in 1961 by Robert J. Lavidge and Gary A. Steiner. There are six (6) steps of effect model, which are from the product's launch advertisement to product purchase. However, this research will further its investigation to what is applicable to the consumers nowadays for Malaysia's SMEs products. Thus, this research is also helping the small medium enterprises to improve their brand recognizance in the market which later enhance the brand loyalty. The design framework generated may also be applied for any other new or existing products in future.

4.0 Research Methods

This investigative research will be conducted by way of an experimental survey in which both qualitative and quantitative surveys will be utilized. Participants will be randomly selected from the Federation of Malaysian Consumer Associations (FOMCA) and the Consumers Association of Subang and Shah Alam (CASSA), which are representative of the Malaysian consumers population, gender and social class. SME industries in the state of Selangor contributes the largest business (19.5%) than other states in Malaysia. (census 2010, 2011)

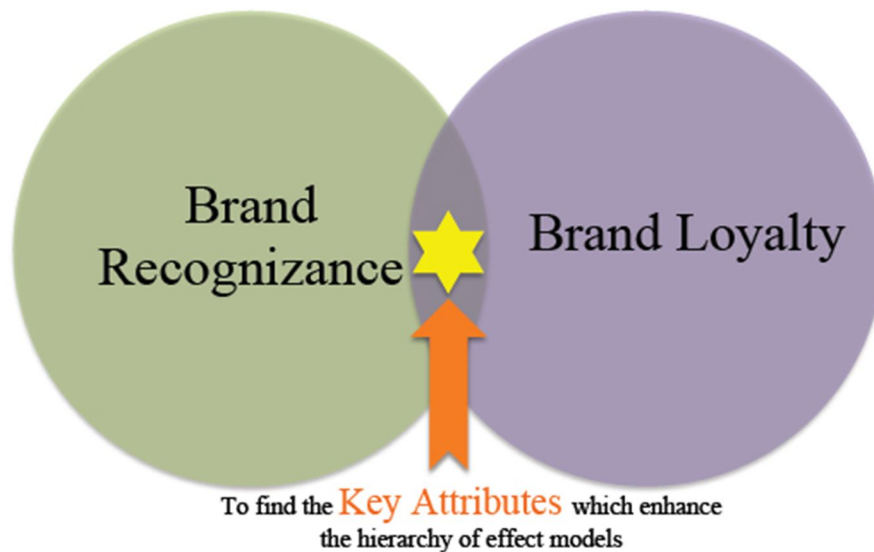
The Petaling district also have the highest population of 1,812,633 million in Selangor which consists of variety of races, Malay which is the majority population (50.59%), chinese (29.03%), Indian (11.62%), other races (0.72%) and immigrants (8.04%). (www.raine&horne.com.my, retrieved on 19 August 2015)A random stratified sampling will be conducted due to different social class of people, (Shamsuri. S., 2004) from different races. For group interviews, 20 individuals were chosen as representative of each social classe and race. Besides that, 1000 sets of questionnaires will be distributed to seven (7)

selected areas within Petaling district.

4.1 Stimuli (Part 1)

Twenty (20) participants will also be identified based from the registered list of the Federation of Malaysian Consumer Associations (FOMCA) and Consumers Association of Subang and Shah Alam (CASSA). Forty (40) laminated photographs of SMEs packaged products (Food and Beverages) from local and abroad will be part of the questionnaire. The respective brand names will be covered in order to avoid bias. The objective is to identify the consumer's brand recognisance on the SME product packaging appearance.

Graph 1



4.2 Stimuli (Part 2)

The same group of twenty (20) participants will be called again to be re-interviewed and the respective findings will also be documented. The responses gathered will only emphasise on visual design values only, the material, size and shape will be excluded.

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