

A STUDY ON BRAND BUILDING OF SMALL AND MEDIUM SIZED ENTERPRISES – A CONCEPTUAL MODEL

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Abstract

With a view to identify the importance of branding in small and medium sized enterprises, this article focuses on extensive literature review and various case studies of small establishments of India. The concept of branding is synonymous with the big firms as it facilitates to create a differential image in a cluttered market. A small and tiny enterprise is expected to develop their own identity in their own sphere with the help of suitable branding strategies to make a noticeable difference in a competitive scenario. The success and survival of any organization, be it small or large, greatly depends on well planned branding strategy because brand building process is the conglomeration of corporate mission, product, price, distribution, promotion, positioning, competition, target market, production process and quality maintenance related decisions. This study attempts to analyse the cases of small enterprises in the light of brand building and its contribution to their long term survival. A conceptual model of branding has been proposed in this article which is to be followed by tiny and small business firms to grow further and to secure a competitive position in the long run.

Key words: Branding, Small and medium sized organisation

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Introduction

The small scale business has emerged as a driver of socioeconomic development of India. It has huge potential for employment generation, education, training, expansion of trade & transport and efficient resource utilization [Singh, Verma and Anjum, 2012]. The small and medium enterprises are the backbone of India (Trivedi 2013). These small firms have significant contribution to industrial output (45%), export (40%) and have created 1.3 million job every year [Kiran, Majumder and Kishor ,2012]. The concept of brand building is not restricted to big firms; every business module can gain significantly from small but meaningful brand building exercises [Vaibhav , 2013]. The small and medium sized enterprises differ from large organization in the issues of marketing and branding strategies. In addition, it is stated that SMEs have human and financial resource constraint which can be overcome by innovative ideas, affordable means of communication and directing brand efforts to the right segments [Vidic and Vadnjal , 2013] . The visible artifacts like logo, staff uniform and brochures are the exhibition of brand values. [Chernatony, 2001] .In the future, management capable of exploiting the potential of brands can gain a long-term competitive advantage, which may become a strategy for survival. The future of many companies lies in effective brand positioning.

This article has made an attempt to understand the strategies of small business enterprises through case studies and literature review and to identify various strategic issues to develop a model of brand building for SME sector.

Literature Review

Sonia and Kansal [2009] have pointed out that the small scale sector is a vital constituent of overall industrial sector of the country. It contributes a significant portion of production, export and employment in this country Today every organization wants to have a brand as brand has become a strategic issue [Kapferer, 1997]. “A brand reflects the perception, images, quality and trust regarding a product or service in the mind of customers” [Vadera, 2011]. Branding is challenging for small and medium business enterprises because of their limited resource which can be compensated by incorporating flexibility and innovativeness [krake 2005]. Vaibhav [2013] considers brand building is not restricted to big firms; every business sector has its own customer segment which can be achieved predominantly from small but meaningful brand

building activities. The small business unit can not follow conventional marketing tactics because of limited resources. A well suited branding strategy is the key to survival, growth and customer retention.

Spence and Essoussi [2010] focused on integrated marketing communication and use of brand association which would contribute to brand building and the growth of SMEs as well. “Small and Medium Enterprises often face the dilemma of the decision whether to brand or not. Most of the SME's are not aware about the importance of brand-building while others face the constraints related to fiscal resources, poor infrastructure, lack of know-how regarding positioning and promotional strategies etc”[Vadera, 2011]. According to Powell (2013) brand building is an integral part of personal and business development . Therefore Brand-building for SME's is an important exercise which should be started as early as possible in order to allow a firm to develop a competitive advantage over other existing firms in the market. Increased competition in the wake of globalization can be managed by domestic firms through Brand-building.

Olszowy [2005] rightly addressed a suitable branding strategy is a valuable asset for an enterprise. To gain competitive advantage, the firm must focus on distinctive features and a comprehensive vision and mission and most importantly determination of a set of values. Brand vision leads the firm to secure long term goal. A brand needs to curve a vision of how that brand should be perceived by its target audience .The business unit must focus on added value to their products [Urde ,1994]. To enhance brand competitiveness and brand loyalty, Core value which includes brand design, packaging, quality, pricing and advertising is the central point of brand promotion [Hui and Wensong]. Brand building is the process of creating value to the customers [Powell, 2013]

John [2006] emphasizes on brand identity by using Product, price, place & promotion element for building brands. Ganjre and Shinde [2012] admits that even a toothpaste is positioned on the basis of Product, packaging. Price , place and promotion .The product should create and consolidate the desired perception through customers experience. The growth strategy can be followed by setting moderately low price so that it may not face the problem of brand dilution. The distribution system can be effective by managing merchandising at every selling points and marketing communication includes advertising and other intensive approaches. The brand identity distinguishes a brand and facilitates easy remembrance. The sales promotion techniques

like samples, promotion discount and bonus packaging can encourage customers to test the brand for the first time. The brand image can be created by a distinct brand identity through brand name, logo, colour, form and style, graphic element, catchy tag line . A good and popular brand is always associated with high quality [Olszowy, 2005] Brand identity is formed by knowing the firm's ' customer', 'competitors' and business environment. Small business unit must focus on unique brand positioning [Hui and Wensong] It can also be a part of brand identity and value proposition with inclusion of features, tangible attributes, product function and benefits [Ghodeswar, 2008]. He also addressed the issue of communicating unique & differential message. To deliver brand performance, the company must set operational standard through continuous quality improvement, service, customer care and generating customer satisfaction. The concept of product line extension, brand extension, co branding are the ways to leveraging the brand.

A harmonized , uniform, consistent communication is the key to brand building [Urde , 1994]. There are different ways of promotion like advertising campaign, theme, celebrity endorsement, event sponsoring etc [Ghodeswar, 2008]. "Small and medium sized enterprise should abandon the traditional marketing concept, using modern internet, endorsement, sponsorship & other channels to promote the brand ." and also added SMES should highlight emotional factor along with rational factor[Hui and Wensong]. To build a brand, brand awareness is important and Ganjre and Shinde [2012] suggested advertising campaign, point of purchase display with danglers, small posters , package to draw attention . To promote toothpaste and to induce impulse purchase health mela , sponsorship and theme based campaign was organized. Vaibhav[2013] considered the conventional marketing tool would be an expensive tool. At this juncture use of social media like facebook, twitter, You Tube , web based brand promotion campaign.

The brand building of small business firm is depended on affordable means of communication they must focus on right target segment [Ojasalo et al . 2008]. Abimbola and Valaster [2007] proposed greater the alignment of three concepts of brand, organization identity and reputation, the more consistent and more successful the branding effort will be. A few of branding models are listed below to identify the key elements of branding issues.

Models of Brand Building :

Kepferer (1997)	<ol style="list-style-type: none"> 1.Physique 2. Personality 3. Relationship 4. Culture 5. Reflection 6. Self concept 	Brand Identity
Aaker & Joachimsthaler (2000)	<ol style="list-style-type: none"> 1. Create visibility 2. Build associations and create differentiation 3.Develop deep customer relationships 	Brand Identity
CHERNATONY (2001)	<ol style="list-style-type: none"> 1.Distinctive name 2.Sign of ownership 3. Shorthand notation 4. Functional capabilities 5. Legal protection 7. Risk reducer 8. Service components 	Brand essence
Urde (2003)	<ol style="list-style-type: none"> 1. Mission 2. Vision 3. Organisational values 4. Core values 5. Brand architecture 6. Product attributes 7. Personality 8. Brand positioning 9. Communication strategy 10. Internal brand identity 	Core values

Ghodeswar (2008)	1. Positioning 2..Communicating 3. Delivering 4. Leveraging	Brand Identity
Kujala Penttilä & Tuominen (2011)	1. Identifying vision 2. Identifying key stakeholders 3. Creating brand Identity 4. Defining brand objectives 5. Implementation and evaluation	Building responsible brands

Objectives :

The literature review provides the foundation of understanding the subject from various perspectives. The concept of branding is synonymous with large organization. The issues of branding and SME sectors still exist in juxtaposition. Branding can pave the avenues to convert a budding enterprise into a growing organization. The study aims at identifying brand building strategies for small scale enterprises. The next part of the article concerned with identifying the solutions to the following question raised from the above discussion.

- What would be the best possible strategy to get success for a small and medium sized organization?
- How can SMEs become a large enterprise with suitable branding decision?

The study aims at identifying brand building strategies for small scale enterprises and what are the initiatives adopted by SMES in India. This study has also attempted to develop a conceptual model for brand building for small enterprises.

Methodology

This article is based on exploratory study. A qualitative method like case study approach has been adopted to identify the strategies implemented for brand building and subsequently for

successful business. Data have been collected from secondary sources like articles, newspapers, journals and various websites.

Case Studies

Case I : Sugar & Spice :

The first shop of Sugar & Spice was set up in south Kolkata in 1990's . At that time kolkata bakery market was in its budding stage. Mrs Supriya Roy started her small shop in her in laws premises to fulfill her desire to do something new. The changing taste and preferences of consumers of Kolkata was well understood and Sugar & Spice grew into four outlets in the late 90s in Kolkata. Mrs Roy was not so satisfied with the growth rate of her long cherished business unit. To be competitive in the bakery market , she focused on increasing the number of outlets in Kolkata through franchising system. The decision related to enhance the reach in target market with strategic location selection along with innovative product range was noteworthy.

This business targeted middle class segment with fresh and superior quality product. It introduced wide range of pastries, cakes, snacks , cookies, breads and packed bakery products successfully. To satisfy consumer palate it emphasized on product extension like 'Chicken singara', 'chicken pakora,' 'mutton salami kabab'. 'Mango crown' was introduced to maintain the seasonal charm . A special theme based decoration on celebration cake was also initiated. It started selling packed food product through other grocery outlet to gain the leverage of its brand.

With a view to make distribution system effective, Sugar & Spice specified their franchising system by setting guidelines to follow. It mandates criteria like floor space minimum 120 sq.meter., installation of microwave oven , air conditioning, interior decoration , Staff uniform ,strategic location and establishment of shop should be 4 km apart from each other. As it deals with Perishable products , a structured and systematic order taking and delivery is the key to its prosperity.

The brand promotion is activated by using a specific sign Indicates 'S' with a particular color which acts as brand identity. Marketing communication techniques like print media advertising during festival, Point of Purchase displays are considered for brand awareness. Co branding strategies have been adopted with soft drink and mineral water of Cock, Snacks and chips of lays

to attract more customers and induce impulse purchase. The corporate social activities have been initialized by employing physically challenged people which enhances the brand image of the company.

Now Sugar & Spice outlets are the symbol of sprawling growth in west Bengal with an existence in almost all the big cities of the state.

Analysis:

Sugar & Spice has become a successful brand of Confectionery with sheer determination of the owner and targeting middle class people with a large variety of cakes, pastries and snacks etc. In addition to that, a systematic franchising policy, decoration, order delivery, designing, logo & colour, staff uniform have given impetus to brand identity. A well suited marketing strategy related to co branding and marketing communication tools have been implemented. The execution of social responsibility by employing physically challenged people has been a boost to create positive corporate image in a competitive market.

Case –II : Amar Kuthir

Amar Kuthir was established by a freedom fighter Sushen Mukhopadhyay in 1923 in Birbhum district, West Bengal. It had a mission to provide shelter to the political prisoner freed from Jail. They practiced different handicraft trade and leather craft etc. But British Government disallowed this existence for its political interventions till independence. After this, under the leadership of Sushen Mukhopadhyay it became famous for its successfully creating the market and popularize the leather and handicraft products of Shantiniketan. Then it was registered as a society named Amar Kuthir in 1978. Amar kuthis has become a Rs 1.30 crore pioneering brand offers leather bag, shoppers bag, clutch bag, file cover, wallets, coin box, purse, mobile cover, spectacle case etc. Pasted items like ornament box, pencil box, photo frame, wall hanging footwear, macrame jewellery, apparel in batik & kantha stitch etc. To remain competitive in its designing domain, various designers are employed from National Institute of Design (NID), National institute of fashion Technology (NIFT). Entrepreneurship Development Institute Of India. EDI had initiated for Amar Kuthir to visit India International Leather Fair (IILF), 2010 held at Chennai Trade Centre. The ministry of Textile organizes workshops biannually for computer aided design development. BNCCI is involved for capacity building programmes. In

1993, the Central government set up a hand-block printing training centre at Amar Kutir Complex to produce international quality products. A group of people are continuously involved in researching new design, understanding the modern trends and creating contemporary art , innovative design with seeds and grass.

At present the establishment of Amar kuthir is spreaded nearly 100 bighas and it is growing at 20 % per annum an involves exporting of goods and sold its products at cottage emporia around India. Amar Khuthir employes approximately 54 artisans and 13 manufacturing units.

Amar Kuthir is now focusing on their marketing strategy by participating various trade fair and exhibitions around the country. In west Bengal it has become famous by positive responses from its existing customer base. Amar Kutir had exported their products in Europe, the U.S. and Japan . It is trying hard to create its branding through innovative design with new product, standardized quality and a signature style brand.

Analysis

This seems a transitional story of how a strong initiative of a man can change the organization to mark a global foot print . An untiring effort of people and involvement of ace training and development institutions are the influencing factors for new experimentation and introducing desired brand value. With a deep understanding of customers' fashion & design trend, modifications & alterations are done to form brand identity in a competitive market. A willing participation of employees in trade fair, exhibition and small weekly hut to promote the brand of handicraft . A plethora of quintessential design and exporting products to global markets has become detrimental for is brand building through creating product differentiation.

Case –III : Lizzat Papad

Lizzat Papad started its journey in 1959 from Mumbai as a product of Shri Mahila Griha Udyog. A group of seven Gujrati women had ventured into this business with a sum of Rs 80 which was transformed into 300cr business and served as source of livelihood for many poor families. The brand has gained its positioning so well that Lizzat papad has become synonymous with the product name. The core strength of the brand comes from its well controlled and smooth

operational planning. One of the senior founder member Ms Jaswantiben Poppat was awarded with Economic Times Corporate Excellence Award in 2002..

The quality checking process has been very meticulous and all the members are responsible to maintain their process room neat and clean. Every member is trained to make the perfect Lijjat papad. If any member is found not complying with the quality standards, she will be given some other work like packing etc. During quality checking if any lot is found to be below standards, the entire lot is rejected. The organization follows the decentralized structure so a step wise work load distribution and quality checking was perfectly managed. The business unit has been very particular about their accounts maintenance and their decision makers are the owners which ensure their greater accountability and dedication to their organization.

The brand has adopted very sincere and successful brand promotion strategy through creating USP of 'consistently good quality'. Though being a social organization, the brand communicated its crispiness and quality by a well designed advertisement with a mascot of Bunny and the jingle is very popular 'Khurram khurram' which symbolizes the sounds of consuming crispy and crunchy papad. The positive word of mouth, the advertisement, the consistent good quality and the distribution made this brand highly successful.

The secret of successful brand building lies in superior quality, competitive price, low cost brand promotion, word of mouth publicity, and efficient and effective extensive distribution system.

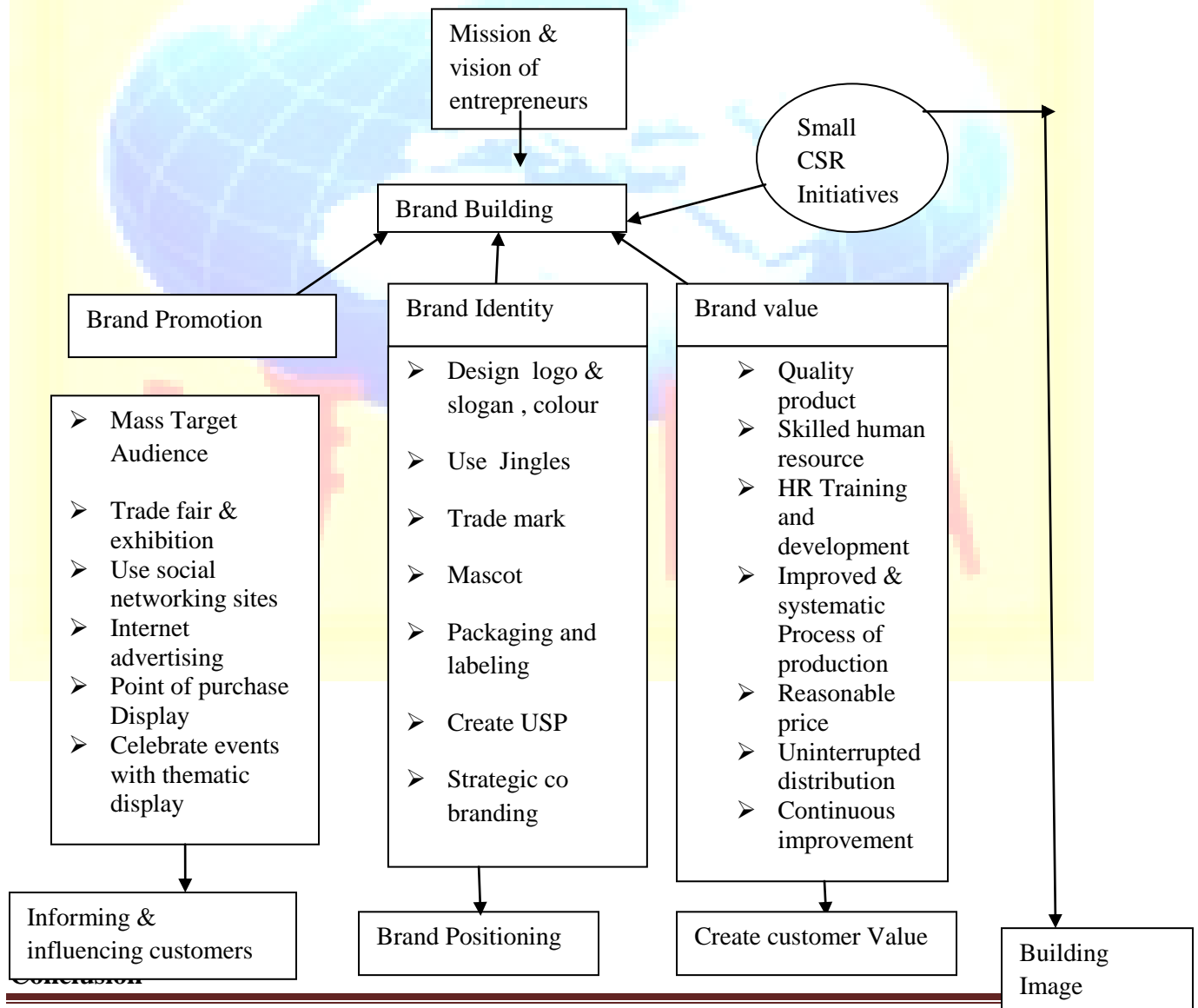
Analysis:

This is an example of how a small investment can give birth to a successful large business enterprise with a prominent presence in its market. The problem of resource constraint can be a dwarf like factor when systematic production, quality maintenance, price distribution were standardized which ultimately contribute to building brand. This small establishment had shown its consciousness to create a differential brand identity through brand name, mascot, jingles which attracts customer mind with a well designed marketing communication to create brand awareness.

Model Building

The above mentioned case studies reassure the importance of brand building for long term survival of the small business firms. In all the three cases the entrepreneurs are visionary, initiator, self reliant and innovative in their respective ventures. The brand building strategies are integrated approach of various marketing and managerial applications. A combined and well thought strategy is the key to successful brand building. The cases emphasized on differential product quality, smooth & systematic distribution channel, innovative marketing communication, competitive pricing, Total Quality Management with meticulously monitored production process and continuous improvement.

A proposed model can be designed for small enterprises which can give them competitive advantage.



The small firms' actions and operations are restricted by the financial, human and material constraints compared to large firms. The brand building strategy for small enterprises focuses on cost minimising strategy by adopting mass target market, cost effective production system, reasonable price, effective and adequate distribution strategy, which would yield economies of scale. The unique features are attributed in creating a logo, slogan, trade mark, jingles, packaging brand positioning tagline etc to nullify clutter and also beneficial for easy identification. The focus strategy is to concentrate on a particular area which can strengthen cost leadership, and differentiation strategy with special concern of manpower excellence, optimum utilization of available resources, improved production system, quality product, innovative unconventional promotional strategies with minimum investment. The corporate image building can be achieved by executing social services which may largely contribute to the process of building brand.

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