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ORGANIZED BY:
FACULTY OF BUSINESS MANAGEMENT, UiTM MELAKA
WITH COLLABORATION OF:
TUNAS MEKAR UiTM

**A Study On Brand Awareness Among Malay
Entrepreneurs In The Food Industry in
Terengganu:
A Case Study Of Yayasan Pembangunan
Usahawan Terengganu.**

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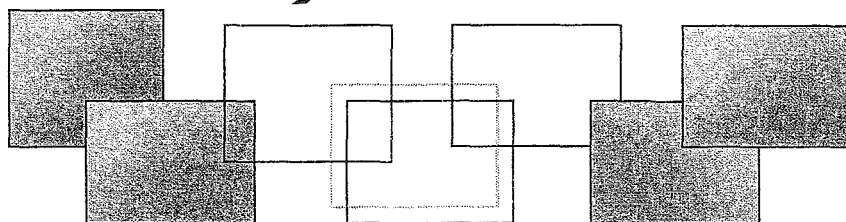
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***By
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Prof. Madya Dr. Farok Zakaria***



A STUDY ON BRAND AWARENESS AMONG MALAY ENTREPRENEURS IN THE FOOD INDUSTRY IN TERENGGANU: A CASE STUDY OF YAYASAN PEMBANGUNAN USAHAWAN TERENGGANU.

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Abstract

Today, most local entrepreneurs who are involved in small and medium sized industries (SMI) are encouraged to produce quality products to fulfill consumer requirements. Entrepreneurs have to also know new trends in product development like promotion, packaging, labeling and branding. The Government has already created policies and implemented them to help local entrepreneurs to become more confident in the marketplace, especially for those who want to market their products in foreign hypermarkets. Yayasan Pembangunan Usahawan Terengganu is one of the government agencies under the Ministry of Entrepreneurs and Co-operation Development (MECD) that is responsible for entrepreneur development in Terengganu. This agency emphasises the development of brand awareness among Malay entrepreneurs involved in the food industry. Also, many other competitors in the food industry which have established their products are now moving forward to maintaining their image, to meet the challenges of market liberalization and increasing competition for both domestic and international markets. But, how many of our local entrepreneurs are aware to plan and implement brand development?

Introduction

Nowadays, branding becomes important in marketing especially for a big companies when they want to develop their product image in a market place. Basically, Branding is a name, term, sign, symbol, or design, or a combination of these that identifies the maker or seller of product and differentiate from competitors (Lamb, Hair and McDaniel, 2004). Normally, consumers become interest to the product which has a good label in packaging and also a right name in branding. The purpose of branding, labeling and packaging directly describes the product and benefits, to make consumer easy to remember, consumer become more recognize to the product, to make easy to pronounce, and has a positive connotation (Lechmann D.R, Winer R.S, 2003). But, how many of our Malay entrepreneurs are really understood and interpreted this things into their business?

Entrepreneurs in a small and medium industry have to study the benefits of branding in their business, especially for those who are face competition with the giant company. In fact, branding also becomes easy to entrepreneurs to distinguish their product from competitors and make consumer become loyal to the product. The success of any entrepreneurs or producers are not totally depends on the core product itself, but it's also will depends on how are we strategies and develop market's ability to distinguish one product from another (Boyle. E, 2003).

Branding is useful for small and medium enterprises when they want to supply their product into foreign hypermarket (Keller, 1998). Most of hypermarkets that are operated in Malaysia are concerned to the quality of product, packaging, labeling and branding. That's why our government seriously takes into consideration about the branding for local producers who are operated in a small and medium industry. Beside that, most of our entrepreneurs who are engaged with Minister of International Trade and Industry (MITI) will involve with international exhibition (Rafidah Aziz, 2005). The purpose of this involvement is to develop cooperation between small and medium enterprise with foreign company. Ministry of Entrepreneur Development and Corporation have directed all of government agencies to handle seminar, workshop, and conference to discuss the role of branding in our local business. Several institute of higher learning in Malaysia also did a research in product branding among entrepreneurs in small and medium industry. Yayasan Pembangunan Usahawan Terengganu (YPUT) is one of the government agency take responsibilities in brand development for Malay entrepreneurs in Terengganu.

Yayasan Pembangunan Usahawan Terengganu (YPUT)

Yayasan Pembangunan Usahawan Terengganu is one of the government agency which has the objective as '*One Stop Agency*' in entrepreneurship that will help to develop state entrepreneurship. YPUT has corporate at March 31, 1994 under AKTA SYARIKAT 1965 as a limited company by guarantee. YPUT has operated at July 1st. 1994 with oriented on social obligation and good profit for entrepreneurs. There are four objective of YPUT. Firstly is to upgrade the number of entrepreneurs in medium level into a global standard. Secondly, is to develop and increase relationship among entrepreneurs in term of knowledge and capabilities. Thirdly, is to preserve a facility for entrepreneur development to increase competitive and development for local entrepreneur. Lastly, is to become YPUT as an excellent in management, culture and corporate body.

A lot of program that has been handled by YPUT, like Development Programmed for SMI., Terengganu Entrepreneurs Development Fund, Research and Development in Product and Marketing, Enterprise development Program, Vendor and Franchise Program and also Counseling Service. YPUT also planned and implemented several programs that relate with the brand awareness for Malay entrepreneurs in Terengganu. In fact, YPUT also launched their branding in food industry for entrepreneurs, like T-Lekor for keropok lekor product and T-Dagang for nasi dagang product (KU Khairil, 2004).

Food Industry in Terengganu

Food is one of the industries in Terengganu that are aggressively contributed to the state economy. A lot of traditional product has produced by local producers, like keropok, kerepek, kuih baulu, bunga durian, kuih belimbing, rokok arab, dodoi, satar, otot-otot, and pulut panggang. But, most of our Malay entrepreneurs didn't know how to develop the product image and not really understand the function of branding into their product. Some of them tend to ignore and not interested in any planning and implementing by government about the branding in food industry. Meanwhile, many other competitors that had established their products are now moving forward to maintaining their image, to meet challenges of market liberalization and increasing competition both in the domestic and international market (Ku Khairil, 2004) .

Objective of Research

The Malay entrepreneurs in Yayasan Pembangunan Usahawan Terengganun are the main focus group in this study where the objectives are;

1. To determine the level of brand awareness among Malay entrepreneurs in food industry in Yayasan Pembangunan Usahawan Terengganu.
2. To analyze the knowledge, interest, and involvement of Malay entrepreneurs regarding product branding.
3. To identify factors that contributes the degree of knowledge, interest, and involvement towards branding.

Scope of Research

This study focuses on the small and medium industry by Malay entrepreneurs in Yayasan Pembangunan Usahawan Terengganu. Researcher will identify entrepreneurs who are involved in a food industry as respondents in these projects. This study measures the level of brand awareness among Malay entrepreneurs in food industry in Terengganu.

The independent variables in this study are the degree of knowledge, interest and involvement of Malay entrepreneurs in branding. So, these three independent variables are related to dependent variables in brand awareness.

Significance of Study

At the end of this study, researcher will get the information about the level of brand awareness among Malay entrepreneurs. This information is important and applicable to the Yayasan Pembangunan Usahawan Terengganu as part of its responsibility to develop Malay entrepreneurs especially in the food industry in Malaysia. The finding of this research can provide other government agencies with evidence and data to encourage Malay entrepreneurs in this industry for their future growth.

Literature Review

In a year 2000, Malaysian government has spent RM1,850,000,000 for small and medium industries fund and RM300,000,000 for small and medium-sized Bumiputra entrepreneurs fund. A lot of activities that has been done through this fund to upgrade the level of small and medium industries in Malaysia (Utusan Malaysia, 2004).

Meanwhile, Malaysian government also emphasis to upgrade the level of product that producing by Malay entrepreneurs to reach international standard (Utusan Malaysia, 2004). Branding is become important to Malay entrepreneur when they want to place their product into a market and certainly timely move forward in a competitive world. Branding is therefore one of the ways to increase competitiveness, and a means to differentiate the product and services offered to market. In developing a marketing strategy for individual products, the Malay entrepreneurs in Terengganu have to confront the branding decision.

Most of consumer will differentiates the product in term of packaging, labeling, advertising and branding. But, just a few Malay entrepreneurs involved in branding, advertising and promotion their products. Most of them are thinks about the high capital, cost, and become less profit when they want to implement to practices of branding and advertising. The sample study of "*Industri Kecil Malaysia isu Pembiayaan, Teknologi dan Pemasaran*", has shown only 32.9% Malay entrepreneurs from small and medium industry are involved in an advertising and 67.1% are not interested (Rahmah Ismail, 1995).

Research Methodology

Researcher identified two types of data collection, there primary and secondary data. Primary data has collected from dissemination of questionnaires to Malay entrepreneurs in food industry in Terengganu as a respondent. Secondary data collected from the government agencies like Yayasan Pembangunan Usahawan Terengganu, Majlis Amanah Rakyat (MARA), Bahagian Pembangunan Usahawan Negeri Terengganu, Small and Medium Industries Development Corporation (SMIDEC), Dewan Perniagaan Melayu Terengganu and researchers who have studied in brand awareness.

Researcher has done a survey method to collect data through designing a questionnaire. Researcher used a random sampling in this study and disseminate the questionnaires to respondent whoa are operating in Besut, Setiu, Kuala Terengganu, Kuala Berang, Marang, Dungun and Kemaman.

Data Analysis

Yayasan Pembangunan Usahawan Terengganu (YPUT) has patronaged sixty five Malay entrepreneurs in food industry which operated in seven districts in Terengganu. There are Kemaman, Dungun, Marang, Kuala Terengganu, Ulu Terengganu, Besut, and Setiu. But, the only fifty three of Malay entrepreneurs in YPUT are still active in their business till today, and twelve of Malay entrepreneurs are not active.

District	Active	% Active	Not Active	Total
Kemaman	3	5.7	0	3
Dungun	6	11.3	1	7
Marang	6	11.3	1	7
Kuala Terengganu	26	49.1	5	31
Ulu Terengganu	2	3.8	2	4
Besut	6	11.3	3	9
Setiu	4	7.5	0	4
Total	53	100	12	65

Table 1: The Number of Entrepreneurs in YPUT

1. District of Respondents (Entrepreneurs)

YPUT has patron 53 of the active Malay entrepreneurs who were operated in seven districts in Terengganu. The largest YPUT's members in district is Kuala Terengganu (49.1%) and become Dungun, Marang and Besut (11.3%) is the second largest. The others are Setiu (7.5%), Kemaman (5.7%) and Ulu Terengganu (3.8%) is the smallest group.

2. Level of Education

The bulk of the respondents have completed a secondary school education, which comprises 45.3% (24 respondents) of the total respondents. 35.8% or 19 respondents have completed a certificated, followed by those who have diploma 11.3% (6 respondents) and bachelor 7.5% (4 respondents) is a smallest.

3. Field of Study

An Islamic study is the largest group of respondents in field of education. 34.0% or 18 respondents come from this group. This is followed by commerce study which comprises 30.2% (16 respondents), social studies 18.9% (10 respondents) and sciences and technology 17.0% (9 respondents).

4. Types and Level of Business

Most of entrepreneurs in YPUT are involved in small industry (81%). Meanwhile, only 19% of Malay entrepreneurs in YPUT are in a level of medium industry.

		Types of Business			Total
		Enterprise	Partnership	Sdn Bhd	
Level of Business	Small Industry	37	5	1	43 (81.1%)
	Medium Industry	2	4	4	10 (18.9%)
Total		39	9	5	53 (100%)

5. Types of Products and Business

Most of entrepreneurs in YPUT involved in a junk food (43.4%), like keropok, kerepek ubi, baulu, bunga durian, kuih belimbing, rokok arab, dodoi, satar, and otot-otot. 73.6% of Malay entrepreneurs in YPUT run their business in enterprise, 17% for partnership and only 9.4% in Sdn. Bhd.

		Product						
		(1.00) Junk Food	(2.00) Bread	(3.00) Drink	(4.00) Restaurant	(5.00) Spice	(6.00) Agriculture	
Types of Business	Enterprise	20	7	2	5	3	2	39
	Partnership	1	6	1	0	1	0	9
	Sdn Bhd	2	1	0	0	0	2	5
Total		23	14	3	5	4	4	53
%		(43.4%)	(26.4%)	(5.7%)	(9.4%)	(7.5%)	(7.5%)	(100%)

6. Market Size

YPUT has patron 25 producers (47%) whereas 1 entrepreneur in a national level, 18 in a state level and 6 in district level. Then, 14 entrepreneurs operated as a distributors, 2 in a national level, 9 in a state level and 3 in a district level. 14 total retailer operated in YPUT, 3 in a state level and 11 in a district level.

	Market Size			
	National Level	State Level	District Level	
Producer	1	18	6	25
Distributor	2	9	3	14
Retailer	0	3	11	14
Total	3	30	20	53

Brand Awareness

This research has been divided into three categories/levels (variables); there are knowledge, interest, and involvement of respondents in branding. More than half of total respondents (58.5%) in this study are know (knowledge) the meaning of brand but not interested on that. Meanwhile, the percentage of interest group in branding is 26.4% (14 respondents), and the percentage of entrepreneurs who has involved in branding is only 15.1% (8 respondents).

1. Respondents in a Level of Knowledge

31 respondents (58.5%) from knowledge group show the result is significant in listens the words of branding.

1.1 Listen the words of branding

	Not Listening	Less Listening	Listening	More Listening	Highly Listening	Total
Listen the words of branding	2	18	9	2	0	31

1.2 Understand the words of branding

	Not Understand	Less Understand	Understand	More Understand	Highly Understand	Total
Understand the words of branding	8	20	2	1	0	31

1.3 The important of branding

	Not Important	Less Important	Important	More Important	Highly Important	Total
The important of branding	9	18	4	0	0	31

1.4 Branding as an opportunities

	Not Sensitive	Less Sensitive	Sensitive	More Sensitive	Highly Sensitive	Total
Branding as an opportunities	13	15	2	1	0	31

2. Respondents in a Level of Interest

2.1 Interest to upgrade their knowledge

	Not Interested	Less Interested	Interested	More Interested	Highly Interested	Total
Berminat meningkatkan pengetahuan	0	5	5	4	0	14

2.2 The important of branding

	Not Important	Less Important	Important	More Important	Highly Important	Total
The important of branding	1	3	8	2	0	14

2.3 Branding as an opportunities

3. Respondents in a Level of Involvement

3.1 Initiative to upgrade their knowledge

	Not Involved	Less Involvement	Involved	More Involvement	Highly Involvement	Total
Initiative to upgrade their knowledge	0	0	6	2	0	8

	Not Sensitive	Less Sensitive	Sensitive	More Sensitive	Highly Sensitive	Total
Branding as an opportunities	0	3	7	4	0	14

3.2 The important of branding

	Not Important	Less Important	Important	More Important	Highly Important	Total
The important of branding	0	0	5	3	0	8

3.3 Identified opportunities in branding

	Yes	No	Total
Identified opportunities in branding	8	0	8

The Factors that Effected to the Brand Unawareness (Finding)

1. Level of education

Most of Malay entrepreneurs in YPUT are still lower level in education. 81% (43 respondents), 45% just pass in a secondary school level and 35% got the certificate. In fact, most of them (37%) didn't listen and not understand the term of branding. Some of them (40%) also didn't think the important of branding.

2. *Field of study*

Most of them had studied in unrelated field in business, 34% (18 respondents) are in Islamic study, 19% (10 respondents) are in social study, 17% (9 respondents) are in science technology, and the only 30% (16 respondents) are from commerce study.

3. *Lack of experiences*

Normally, the level of experience is depend on how long there have involved, how aggressive there are, and business exposure. But, the problems are; most of them only 43.2% are involved more than ten years in their business, 56.7% involved in a state level, 37.7% involved in district level and only 5.6% involved in national level.

4. *Small market size*

Nobody involved in international market level. In fact, the only 26.4% entrepreneurs under YPUT are involved in partnership and most of them (73.6%) are involved in enterprise. This has effected to their amount of capital, size of business and also to their market size.

5. *Lack of knowledge in branding*

Most of them are lack of knowledge to identify opportunities in branding, there are 52% come up from entrepreneurs who are didn't have a knowledge about the branding, and only 5.7% from the entrepreneurs who are interest to the branding. In fact, the only 40% of respondents are thinks the important of branding in their business.

Conclusion

The study of entrepreneurship emphasizing on upgrading of skill, attitude, and knowledge in a context of business development. So, this study has found that Malay entrepreneur in food industry in YPUT are still low in an awareness of branding toward their product. The numbers of factor that effected to their unawareness, there are; lower level of education among entrepreneurs in YPUT, most of them are not from business background, lack of experiences, the market segment is too small, and lack fo knowledge in branding.

YPUT as a government agency can take this factors of unawareness among Malay entrepreneurs in food industry in Terengganu as a first step to develop a better training module and implement it to solve this problems.

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