

The Challenges Managing Brand Positioning: Small Medium Entreprises' (SME) In Malaysia

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ABSTRACT: *Small and Medium Enterprise (SMEs) play an important roles in the economic development in Malaysia. However, SMEs entrepreneurs still not emphasis their brand positioning both its products and services. The main thrust of this study was on to examine the challenges and strategies that had been made while managing brand positioning of food products for Small and Medium Enterprises (SMEs) in Malaysia country. The findings will reveal challenges that SMEs entrepreneur had to branding their product positioning may definitely improve their strategy that offering SMEs brand.*

Keywords: *Brand Positioning, Small and Medium Enterprises (SMEs), Challenges, Strategies*

I. INTRODUCTION

Since 2005, the developments of economy in Malaysia have been many changes either in structural changes or business trends change. During 14th NSDC Meeting in July 2013, a new SMEs was endorsed that define to covers all sectors including services, manufacturing, agriculture, construction and mining & quarrying. (Malaysia). According to (Khan & Khalique, 2014), the SMEs contribution in Malaysia still less even there are lot of funds giving by government to enhance them market their product brands. In Malaysia, SMEs favor for improving their brand positioning through more investment and add value of the products. For example, branding their product into improve the quality, packaging, ingredients and taste in order to sustain in the market. (Kiumarsi, et al., 2014). Hence, the purpose of this paper is to examine the challenges brand positioning of SMEs' food industries in Malaysia.

II. DEFINITION OF SMES IN MALAYSIA

According to (Corp, n.d.), there are two definition of SMEs. In manufacturing sector, SMEs are firms with turnover not exceeding RM50 million or number of full time employeess not exceeding 200. Other definition, for services and other sectors, firms with sales turnover not exceeding RM 20 million and number of full time employeess not exceeding 75. In Malaysia, the roles of small medium enterprise (SMEs) are going globally branding their name of product. (Khan & Khalique, 2014). SMEs can be define based on the annual sales turnover and total number of full time (Khalique, Hassan, & Nassir, 2011). SMEs have high potential in the business growth especially in food industries. (Kiumarsi, Isa, Jayaraman, Mohd, Varastegani, & Asra, 2014).

III. CONSTRUCTING A BRAND POSITIONING BY FOOD INDUSTRY SMES IN MALAYSIA

According to Malaysian Ministry of International Trade and Industry (MITI) based on report 1991, the contribution of manufacturing by SMEs had amounted with 20% of the GDP (Khalique, Hassan, & Nassir, 2011). SMEs roles in food industries has been widely acknowledge. It is apperant that SMEs are moving into globalization. SMEs contribution in economic growth has made Malaysia as an open worldwide economies in the world. SMEs plays a vital role in the international trade that connect Malaysia through to the global business environment (Zulkifli, Kamal, Rashdan, & Hassan, Jan 2010). Understanding positioning will help entrepreneurs well define their strategy that meet with the customer demands. Entrepreneurs have identified its main competitor and their strategies and do analysis on key success factors. The food industries has been important in development of manufacturing sector in industry in Malaysia. The success of SMEs in positioning its products is based on marketing activities. (Omar & T, 2014). A plan and strategic decision that intergrate all elements such as design, trademark, slogan and its product may persuade consumers to make a purchase. Consumers intention highly on the brand awareness so that it made trust and purchase intention to them (Sazrinee, Azmeer, Ibrahim, & Idris, 2015). In addition, the government agencies had provide advisory advice for SMEs food processsing entrepreneur in terms of marketing, promotional goods and export process. These help so much to entrepreneur positioning their product and service. These agencies also do efforts by provide a various courses that might help the SMEs entrepreneur such as managing the sales, marketing strategies and also analysis of flow of money. However, the efforts of the agencies still fail because of the production

concentration area. (Omar & T, 2014). According to (Sazrinee, Azmeer, Ibrahim, & Idris, 2015), the different of product brand makes SMEs different from other competitors. The different is an advantage that influence customers attracted to its product.

IV. CHALLENGES FACING BY SMES IN MALAYSIA

According to (Khalique, Hassan, & Nassir, 2011), SMEs facing serious issues to be survival in market. In 5 years of operation, 50% of SMEs are collapse and have to shift the growth strategy from input driven towards knowledge driven. SMEs are dealing with various challenges in positioning its products. Based on (Kiumarsi, Isa, Jayaraman, Mohd, Varastegani, & Asra, 2014), SMEs are facing difficulty the lower cash flows and limited stakeholders that support and invest more in their business. Financial problem is the main challenges faced by SMEs. According to (Khalique, Hassan, & Nassir, 2011), the problems that be issue to SMEs development are lack of financing, low productivity and technology burden. Apart from that, there are difficulties on loan processing. SMEs entrepreneur has to wait the long loan processing time and for those who obtained loan, they need to make repayment (Omar & T, 2014). Other than that, lack of skill workforce. Even Malaysia is major suppliers in multinational companies, there is a small risk for SMEs to move out to lower labor cost countries like China and India. (Kiumarsi, Isa, Jayaraman, Mohd, Varastegani, & Asra, 2014). Nowadays, Malaysia customers awareness on interesting packaging and judgement on product quality. The marketing of food products encountered by SMEs in overall. The design of product packaging become a crucial consumers decision. Despite on that, SMEs entrepreneur get affected while operating their product packaging. Other than that, SMEs are lack in limited capital for business development of R&D. They are striving to take step move on into innovation changes. The innovation make products positioning more efficient and perhaps consumers able to influence purchase its products. (Zulkifli, Kamal, Rashdan, & Hassan, Jan 2010)

V. CONCLUSION

Based on the literature review, it can be more or less concluded that SMEs facing difficulties while managing their positioning of products to become competitive in economy development. In order to come out with best product brand positioning, SMEs should upgrade their strategy and creative to understanding consumers preferences. SMEs should continue with agencies programme that enhance them more skills and information regarding positioning their products. It is hoped this case has given an overview of challenges managing brand positioning of SMEs in Malaysia.

REFERENCES

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A reference list **MUST** be included using the following information as a guide. Only *cited* text references are included. Each reference is referred to in the text by a number enclosed in a square bracket (i.e., [3]). References **must be numbered and ordered according to where they are first mentioned in the paper**, NOT alphabetically.

Examples follow:

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