

**THE PRACTISE OF BRAND MANAGEMENT ON SMALL CULINARY
ENTERPRISES, AN EXPLORATIVE STUDY USING IN-DEPTH
INTERVIEW**

Astrid Handaria and Budi Permadi Iskandar
School of Business and Management
Institut Teknologi Bandung, Indonesia
astridhandariw@gmail.com

Abstract

Brand has been a part of almost every company, especially a big one that exists nowadays. It is a statement, an image, a message, which packed and delivered to the customer, so that they know what the company stands for. Nowadays, intense competition of a small business requires each business to be able to "fly over the crowd" that will not make them go down with the other competitors whom not able to follow the current change regarding the situation on the market. As for one SME, in order to be able to fly over the crowd, the owner needs to know how to build and maintain the corporate brand. It is vital to be different in the crowded market so that the brand will not easily forgotten by the customer. However some of branding literature states that many SME pay little or no attention at all on Branding (Frank, 2005) also most of branding literature were based on multi-national company. The objectives of this research is to find out how small-medium entrepreneur focusing in culinary business in Bandung City takes action on branding activity. In order to fulfill the objectives of this research, a qualitative case study method was undertaken with 12 SME focusing in culinary industry in Bandung city. This step was taken to understand the phenomenon of small-medium-culinary entrepreneur branding activity by analyzing the clearly defined step-by-step corporate brand building activity the SME do refer to the theory of previous research about corporate brand building activity through different stages of business growth. (Mari Jununten,2010). The research approach utilized an in-dept interview with the owner or manager of the business. The findings of this study reveal new activity such as building relationship with community, managing relationships with community and customer also reputation management system using social media which never been discussed in

the existing theory used in the previous research and the findings will demonstrate a condition of how far the small-medium-culinary entrepreneur takes action about branding activity.

Key Words : Brand, Brand Building Activity, Brand Management, Small to Medium Enterprises, Culinary.

Category: Marketing

Introduction

The rapid growth of small business culinary in Bandung City makes most of the entrepreneurs thrive to be different in order to attract customer. Tightened market competition and communication conditions present another challenges to SME. Individual SME are exposed to high competitive pressure and high competitive intensity, making brand-specific will be a crucial part of the strategy. In small culinary business what is important is that, the owner/manager need to build an image for their restaurant or small stores so that the customer will not easily forget their position in a crowded market. They need to be able to more than just survive, they must fly over the crowd to make their business evolve. Thus, the development of innovative concepts for brand management becomes especially relevant for SME. Consequently, SME need to do more about their marketing activities. For one SME, in order to be able to grow, the owner needs to know how to build and manage the brand as a focal concern. It would be vital. It is also necessary to understand how to maintain the corporate brand throughout fluctuating growth stage. However,

branding research offers little advice on how to do so. Some states that branding is not a priority for SME. It is viewed as a reductive concept involving only the logo, the product, or the service (Inskip, 2004). In many SME, they pay less or no attention to brand management in their daily tasks (Krake, 2005). In order to clarify the statement, a research on small-culinary enterprise is to be taken. The research will find out the real-life situation of an SME about how they deal with the issue. Therefore, the research became a topic to be conducted in this research, which titled "The Practice of Brand Building and Management on Small Culinary Enterprises, an Explorative Study Using In-depth Interview".

This research will be enriched with additional theory comes from existing journal of "Corporate Brand Building in different stages of small business growth" (Mari Jununten, 2010) on B2B small medium enterprise. On the previous research wants to find out how the corporate brand build according to different stages of business growth. Based on the previous research (Mari Jununten, 2010) methods and theories, the objectives of this study is finally can be fulfilled.

The final conclusion of this study will not reveal the list of activity needed to build a brand, instead a conclusion of small-medium culinary entrepreneur condition on how far the entrepreneur deal with Brand Management based on real-case study by analyzing the corporate branding activity on each stage of the business

Theoretical Foundations

Corporate Brand Building; Function and Activity

Marketing for small to medium culinary business is somehow important due to rough competition nowadays. But how to define what certain activity will be explained by focusing on the corporate branding side. According to Mari Jununten (2010) who combined the works of several authors (Stuart, 1999; Balmer, 2001; Urde, 2003; Rode and Vallaster, 2005), there are six different functions of corporate brand building: defining the corporate personality, brand-oriented strategic planning, creating and maintaining corporate identity, creating consistent brand communication, assuring

employees' involvement, and creating a corporate image.

The first function, defining the corporate personality, refers to the identification of brand personality (Stuart, 1999; Boyle, 2003). It includes activities such as defining core values and corporate vision and mission (Stuart, 1999; Boyle, 2003; Urde, 2003), develop company idea, planning the company characteristics, and deciding on the company's name that aim to define the corporate personality, (Mowle and Merrilees, 2005). Although core values are seen as relatively stable, they are not static but change over time (Urde, 2003)

Brand-oriented strategic planning refers to the use of brands in strategic planning (Urde, 1999). This includes activities such as generating a brand vision (Gregory, 2007) which leads to bringing the business concept, values and philosophy to life (Rode and Vallaster, 2000). Well-established brands are able to enhance the competitiveness of a company and generate growth and profitability. Creating and maintaining corporate identity happens in interaction with customers (Urde, 1999) and other stakeholders (Saraniemi, 2009). A clear identity of a company is a prerequisite for building a strong corporate brand (Aaker, 1992). Corporate identity consists of corporate culture, corporate behaviour, corporate internal communications and corporate design (Rode and Vallaster, 2005; Witt and Rode, 2005).

Creating consistent brand communications refer to the projection of corporate identity both to the internal and external stakeholders of the company. Consistent communication is essential in brand building (Aaker, 1992; Balmer and Gray, 1999). It consists of management, organization and marketing communication (Stuart, 1999). Inskip (2004) states that brand communications are rarely a problem to SMEs.

Assuring employees' involvement is also seen as the key to building relationships with all the company's stakeholders. The interface between employee perception of the corporate brand (that is, corporate identity) and perceptions held by external stakeholders of the corporate brand (that is, corporate image) is significant. Thus, the behaviour of the employees who interact with external stakeholders can have a

significant effect on the perception that external stakeholders have of the company. For example, friendly service (Mowle and Merrilees, 2005) contributes to the meaning of the brand, as it expresses to others what the company and its personnel think of the company (Hatch and Schultz, 2003).

Creating corporate image refers to the projection of corporate identity targeted at the company's external stakeholders and the external stakeholders' reflection of the corporate identity. A company can shape its corporate image in both direct and indirect ways. A direct way is to frequently communicate with stakeholders (Witt and Rode, 2005), as every signal sent out to stakeholders affects the corporate brand (Einwiller and Will, 2002). An indirect way of shaping image is to create a corporate identity within the company that then indirectly influences the corporate image (Witt and Rode, 2005). In addition, other sources of information, not managed by the company, do influence the corporate brand image

Methodology

To complete this research, the author is following these steps below:

Research Design

Methods use in this research is the exploratory research using in-depth interview, which align with the research objectives.

Checklist of Branding Activity

The checklist of branding activity comes from the theory of corporate brand building combined by (Jununten, 2010) the activity is then classified according to the theory of 5 stages of business growth (Churcill & Lewis, 1983) in order to make the data analysis easier.

Interview (Discussion with SME)

The interview was done with 12 owners/managers of the culinary business in Bandung, from 23 July – 27 August 2012. The interview will match the activity done by the enterprise with the corporate brand building theory. The interviews were audio recorded and later fully transcribed to a script.

Script Analysis

The script is analyzed by matching the brand building and management activity done by the SME with the brand building theories combined by (Mari Jununten, 2010)

Anomalies and Additional Activity

The finding of this research is categorized into Anomalies and Additional Activity.

Data Analysis

Pre-establishment stage

At the pre-establishment stage, the organization of the business is still completely informal, including all the activities and planning that take place before the company is officially established, and involves, for example, the owner(s), his/her family and friends and financiers.

On the Pre-establishment, the first function, *defining the corporate personality*, do take action. It includes activities that aim to define the corporate personality, planning the ownership, corporate mission and defining core values (Stuart, 1999; see also Boyle, 2003; Urde, 2003), developing a company idea, planning the company structure and characteristics, and deciding on the company's name (for example, Mowle and Merrilees, 2005). All of the interviewees is doing the same thing, good planning on deciding the corporate personality.

At this stage, the function of *brand-oriented strategic planning* also starts to take shape. *Brand-oriented strategic planning* refers to the use of brands in strategic planning (for example, Urde, 1999). This includes generating a brand vision (Gregory, 2007) and linking this vision with the organizational culture and corporate images (Hatch and Schultz, 2003). This leads to bringing the business concept, values and philosophy to life (Rode and Vallaster, 2005), with the corporate brand becoming an important strategic value for the company. Well-established brands are able to enhance the competitiveness of a company and generate growth and profitability, if the brand orientation is integral to strategy formulation (Wong and Merrilees, 2005).

The next activity in the pre-establishment stage,

building community relationships emerged from the interviews. The name of the company will be known to a wider audience once the company is established and starts operating with multiple external groups and in this case, community. Most of the interviewee states that they do engage community as a part of their branding strategy.

On the pre-establishment stage it is vital to engage as many customer as possible because it is the first key to know whether the brand is already known or not. Most of the player in the market has successfully build the customer awareness by using word-of-mouth strategy (Statement 2F, Statement 1E, Statement 3E')

But some of the SME fails to do so that they stuck on the pre-establishment stage. It is because of the owner failed on focusing building the business. This incident will impact on slow-moving-customer-awareness-building. Based on the previous quotes, we see that not all of the entrepreneur pay full attention on developing their business. Some of them distracted by other factor which leads them to ignoring the business-building-activities, which is vital to be concerned on the pre-establishment stage. It is very crucial for the owner to, if possible, build, maintain and manage the business in almost everyday business hour. What they need to have in mind is, as-soon-as the business established, the owner is the business. What is defined on the first step needs to be applied soon as the business run.

The early growth stage

The early growth stage begins after the company is established and has been running for some period of time. In the this stage, the company reaches profitability and the company structure moves towards becoming functional, as the number of personnel increases during the growth period (Churchill and Lewis, 1983; Scott and Bruce, 1987). The owner will face a decision between whether the business will expand or adamant at this stage. Basic financial, marketing and production system are in place.

Once the owner decides to move forward, at this stage, he/she should specify the corporate personality and maintain it. At the pre-establishment stage, corporate values is molded, and at the early-growth stage they are formalized, and shows that values that support

the desired corporate brand relate closely to day-to-day business of the company (Statement 2C') The study reveals that the corporate personality is maintained through the daily service given.

Even though Rode and Vallaster (2005) define corporate communication as being interactive with external community, corporate internal communication should be emphasized too. They produce premium or quality product, provide experiences for customers (Mowle and Merrilees, 2005) or build a professional image, and having a good management system help SMEs to create a good corporate image.

At the early growth stage, moving on a well-structured management system is a crucial step. Make sure one business have a good management system and communication is important .Once the owner decide to move to this stage, he or she will start to walk-out from the day-to-day business activity, trusting them to the management

The perceived core value needs to be well-understood by the manager but leave the decision-making to the owner. Manager will only manage what's desired by the owner, explain to the employee, make sure they understand and supervise them on the daily activity. So a clear-open-internal-communication and management system and a routine-owner-manager-meeting a is a must. Strategies are formed at the pre-establishment and early development stage of the company, but they are also revised and new strategies are formed throughout the times that the company operates

Creating consistent brand communications was seen as important, and also the complex nature of communications was emphasized. Although consistent communications were perceived to be important on the general level, it was realized that differences in the style, content and intimacy of communications depended on the type of relationship that the company had with its communication partners.

At this stage, some of the SME already understand that the use of Social media need to be improved and maximized in order to help them create a consistent brand communication.

Similar to the pre-establishment stage, at this stage the interviews also revealed a new activity developed by previous new-activity in pre-establishment stage, *managing relationships with communities and customer*. The companies realized that several communities may offer many benefits for companies. Developing good relations with them can be advantageous in making a strong network for further strategy. This could be seen as one way of building the corporate brand, also it will increase their loyalty to the business. In addition, maintaining existing cooperative relationships was seen as important.

Another new activity also emerged from the interviews is referred to as *performance measurement*. Feedback was sought from customers as the main focus of culinary business. The collected and analysed feedback concerned the products of the business, service and most likely the atmosphere or design on the café/restaurant. The companies used the feedback not only to develop and improve their products, but also to find out how the company was perceived by its customer, and how they could develop their efforts in building the corporate brand.

In big companies, “performance measurement” is not a new activity which should be examine further, instead it is one of a basic factor to understand how far they have performed. But as for SMEs this activity has never been clearly mentioned on they strategy before. This is something that rarely been done by them, or been think of.

The effective growth stage

During the effective growth stage, a company already has a corporate brand. The empirical study did not reveal new activities in corporate brand building in the effective growth stage compared with the pre-establishment and early growth stage. It was revealed, however, that in the early stage the activities need to be *maintained* , and when necessary *developed further*.

The market and environment in which the company operates might be turbulent and changing, which necessitates the company adapting to the changing environment. The checking and refining of core values and strategies is therefore important from time to

time. The corporate brand can be used as an orientation when refining the core values and strategies, to maintain the intended corporate brand. They are easily forgotten, and can develop in an unwanted direction if no control over them is maintained. The activities of collecting, analyzing and acting upon feedback ensure that the development process of the corporate brand is continuous. However, at this stage, it is very important for one culinary enterprise to always maintain the quality and service given in order to also maintain their image as part of the brand.

In this study, *assuring employees' involvement* was recognized and emphasized in the empirical research as being an important contributor to building a concise corporate brand. The role of employees is still emphasized as being an important link between the corporate identity and corporate image, as well as the company and its customer.

Alongside management, enthusiastic employees were seen as contributing to unifying the corporate identity and the corporate image, and therefore as having a great influence on the company, in terms what it is like, how it will develop and how it is seen in the market. The role of employees is emphasized here because the importance of their activities play a significant role in creating an image in the mind of customers, building a clear and significant perception of the company which will affect the whole company's image.

The study stated that make sure the involvement of the employee is one vital key on whether the whole image that has been build during the pre-establishment and early growth will be defined in the customers mind. For example, friendly service (Mowle and Merrilees, 2005) contributes to the meaning of the brand, as it expresses to others what the company and its personnel think of the company (Hatch and Schultz, 2003).

Another factor that is necessary to be concerned is creating corporate image, and in this case, for culinary industry, one must have a clear-define-final image to be served. A company can shape its corporate image in both direct and indirect ways. A direct way is to frequently communicate with stakeholders (community and customer) (Witt and Rode, 2005), as every

signal sent out to stakeholders affects the corporate brand (Einwiller and Will, 2002).

The usage of Twitter increase dramatically on the effective success stage. This is caused by the fact that the company already have a clear-strong-brand-image which make them (company) easier to bring it to the social media. The SME know who they are and what personality they want to be seen according to their target market. The use of Twitter at this stage is basically bringing the real-world reputation to the online world in order to, when used properly, can help the business grow more revenues, increase customer loyalty and build more awareness.

Social media is a reputation management system (Social Media 101)

An indirect way of shaping image is to create a corporate identity within the company that then indirectly influences the corporate image (Witt and Rode, 2005). Together, these two - identity and image - generate corporate brand equity (Urde, 2003). Furthermore, managers of SMEs often believe that a good corporate image is important to acquiring legitimization from different stakeholders (Goldberg *et al* , 2003; Berthon *et al* , 2008).

Conclusion and Recommendation

This research shows that what the small culinary enterprise did in building and managing their brand is basically the same with the corporate brand building theory explained in the literature review. Several additional activity from the interviews conclude an answer of the research objectives “Map the extent to which of the small culinary enterprise understand the

brand building activity and management” The purpose of the study is achieved.

The findings of this research is in contrast with statement by Inskip (2004) who states branding is not a priority for SME. It is viewed as a reductive concept involving only the logo, the product, or the service. Also a statement by Krake (2005) In many SME, they pay less or no attention to brand management in their daily tasks. Based on the analysis and findings, these small medium culinary did concern about their brand and already takes a step further on branding activity. It has been a part in their daily tasks. The SME build and manage their brand using the basic model of corporate brand building but also use the latest marketing strategy of 3.0 (use of a method of customer approach using the Social Media).

In addition to this research, no matter at what stage the business exist, the owner/manager should always learn about the company, brand management and overall business throughout its existence. The owner/manager should always learn from the expert in this field so that they can see the real activity that they do.

References

- Huang, H., Lai, Y. (2011) The Brand Management problem in SME. University of Gavle,
- Jununten, Mari (2010) Corporate brand building in different stages of small business growth. The journal of brand management: 115-133
- Gillian, Horan (2009) Exploring management perspective of branding in service SME. The journal of service marketing; 114-121