

Effect of branding in the marketing of selected tropical fruit: The case of ‘Malaysia Best’ brand

(Kesan penjenamaan terhadap pemasaran buah-buahan tropika terpilih:
Kes jenama ‘Malaysia Best’)

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Abstract

Branding is one of the crucial issues for manufacturing products. Nevertheless, very little emphasis has been given to brand farm products in the developing countries, especially in Malaysia. Hence this study has taken the opportunity to bridge the gap. As this issue is considered new in Malaysia, qualitative approaches (the focus group and the in-depth interview) were employed. Findings of this study revealed that the concept of agricultural branding is relatively new to Malaysian consumers. Malaysian consumers are also confused and difficult to differentiate between agricultural and manufacturing brands. To them, a brand is a brand that indicates its origin, an identification of a product; symbolize the quality of a product and as a communication tool between manufacturers and consumers. This study shows that most of the respondents do not perceive agricultural branding as crucial, especially for fresh products such as fruits and vegetables. On the other hand, agricultural branding is very important for export markets, especially in providing assurance that the products are of better quality and safe for consumption.

Introduction

Agricultural marketing is a life issue in most countries, particularly in the developing countries like Malaysia. In general, the marketing of agricultural products begin in the farm, with the planning of production to meet specific demand and market prospects. Marketing activity is completed with the sale of the farm product or processed products to consumers, or to manufacturer (in the case of raw material for industry). Basically, the activities of marketing of agricultural products are quite the same as in the manufacturing products. However, one of the activities that has always been given less priority is branding.

In developing countries, agricultural activities are generally carried out by small farmers. The farmers sell their agricultural products to middlemen or collection centres. They do not bother to brand their products because branding incurred additional cost in which it includes packaging, stamping, legal protection and managing the brand (Kotler 1976). However, in the current situation farmers are more educated and concerned of their product’s identity. They want to be recognized as the producers of those products. They also want to differentiate their products from their competitors, especially when there are many similar products in the market. Thus

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many farmers now have their own brands or identification for their products.

The strategic impact of branding has been extensively researched (Aaker 1996). The past studies have highlighted the conflicts faced by the marketer, whether and to what extent the brand name gives impact to product sales and creates the competitive advantage to the products and company. From the customers perspective, how they perceive brands, what motivate them to buy the products and why they are willing to pay premium price are the current issues that trigger the marketing manager to explore more on product branding.

Additional issues and concerns that have also surfaced and discussed are what brand offers to the company? This issue is more critical, especially when the use of brand incurred additional cost to the company. Thus, the company should consider whether the benefits of branding surpass the cost of creating, managing and enhancing the brand's value. The issue of to brand or not to brand is more critical for fresh agricultural produce (White 2000).

However, there is not much information on the effectiveness of brand in fresh product sector, and the consumers' acceptance towards branded fresh products (Beverland 2001). Thus this study aimed to explore the level of brand awareness among Malaysian consumers towards agriculture brand, specifically Malaysia Best brand and how it can influence the consumers' intention to buy the agricultural products. The objectives of this study were a) to investigate Malaysian consumers' perception toward agricultural brand, particularly Malaysia Best brand, and b) to understand the purchase intention of the local customers for the branded agricultural products.

Agricultural branding

Brand is a name, phrase, design, symbol or a combination of these to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors (Kotler 1976). The

basic purpose of branding a product is to be different. Osler (2003) suggests that companies use brand as a way to position their products, focus their message and create a competitive advantage. Brand is a valuable asset to a company.

Companies recognized brand as one of the strategies for competitive advantage (Delgado-Ballester and Munuera-Aleman 2005) and the differences from other products provide a broader comparative advantage (Rio et al. 2001). Consequently, it positively influences the companies' performance (Dodds et al. 1991).

In marketing, many studies focused on the importance of developing a strong brand as a way to bridge between companies and customers (Kay 2006). Companies use brand as a strategy to offer their products to the markets and as a result helps their survival (Osler 2003).

Generally, agricultural commodities are harder to brand than the manufacturing products. This is because agricultural products are more natural and people always associate quality with natural factors such as climate, soil and environment. In other words, the standard of quality being associated with agricultural products is high. The other barrier to brand agricultural products is its unique characteristics, in which it includes its short shelf life, uneven shape and features, and the inconsistency in terms of quality and taste. The short shelf life of agricultural products is also difficult to manage. Some brands are associated with quality. However, when the quality deteriorates, it diminishes the value of the brand.

Malaysia Best

Malaysia Best brand was created by Federal Agricultural Marketing Authority (FAMA) in 2004 for selected tropical fruits namely mango, papaya, durian, watermelon, pineapple and starfruit. In the introductory stage of its creation, it plays a role as an umbrella brand to locally produce fresh fruits. Nowadays, the Malaysia Best

brand has been recognized as a national brand and it plays the roles of promoting and improving the profile of Malaysian agricultural produce, locally and overseas.

The Malaysia Best brand is a seal of guaranteed quality and safety that is endorsed by the Ministry of Agriculture and Agro-based Industry, Malaysia (MOA). It is an assurance that the products are produced according to good agricultural practices (GAP), followed the international standard in terms of chemical usage, and the farm is certified with international management and environmental standard, called Scheme for Farm Accreditation, Malaysia or SALM.

The Malaysia Best brand is used as a complement to a producer's brand. It has been created for the following objectives:

- To create an effective umbrella brand for MOA both domestically and internationally;
- To instil consumer's confidence in Malaysian agricultural produce;
- To enhance the image of Malaysian agricultural produce;
- To encourage Malaysian farmers to produce high quality and safe produce so that they are able to compete in both local and international markets.

The concept of Malaysia Best has two basic components: safety and quality. The first component is done through the certification of farms to ensure that Malaysian agricultural products are produced according to good agricultural practice (GAP). This is to ensure that the presence of heavy metals and pesticides in farm produce are of within the acceptable and safe level. On the other hand, the quality components cover the area of grading, packaging and labelling regulations.

Malaysia Best brand is in the form of a seal with security features. There are three types of seal that farmers could choose to use on their fruits: i) tag with elastic thread for fruits with rough surface such as pineapple, ii) large sticker (30 mm x 41 mm) for large fruits such as

watermelon and Sekaki papaya, and iii) small sticker (20 mm x 27 mm) for smaller fruits such as star fruit, mango and exotica papaya.

The seal of Malaysia Best brand is registered with the registrar of Trademark and the owner of the seal is the Ministry of Agriculture and Agro-based Industry. It is a mark of distinction, a guarantee of high quality and accepted safety standards, and an assurance that the agricultural produce has surpassed various stringent quality control measures.

Purchase intention

Howard (1989, p. 35) defines intention to purchase as 'a mental state that reflects the buyer's plan to buy some specific number of units of a particular brand in some specified time period'. In practice, purchase intention is the likelihood that a consumer will buy a particular product resulting from the interaction with the product. The interaction might include perception and recognition of the brand and producer. The decision to purchase a product varies depending on the specific objectives of the customers. Consumers purchasing habit is influenced by the quality of the products and services. In addition, brand is also one of the determinant factors of purchasing behaviour.

Purchase intention is the likelihood that a consumer will buy a particular product resulting from the interaction of his or her need for it, attitude towards it and perceptions of it and of the company which produces it (Marketing and Web 2006). Brand contributes to the influencing factors of purchasing behaviour. According to Esch et al. (2006), brand image is very important to consumers, and it has a strong effect on the current and future purchase of a product. Moreover, consumers' purchasing intention serves as the mediator between their attitude towards a product and their actual purchasing behaviour (Kim and Pysarchik 2000). The purchasing intention provides a link between consumers' reactions to products and their acquisition

or use of the products (Kim and Pysarchik 2000). Numerous studies used purchasing intention as an alternative measure to purchasing behaviour. This study indicates that brand image is considered an important determinant for assuring the effectiveness of marketing campaign.

The role of branding in the marketing of agricultural produce

A basic decision in marketing products is branding; in which an agricultural producer uses name, phrase, design, symbol or combination of these to identify its products and distinguish them from those of competitors (Berkowwits et al. 1989). The name, phrase, symbols and design should suggest the product quality, benefits and has a good pronounce (Kotler 1976). This brand names, symbol and design will create the emotion and value in the mind of consumers. Furthermore, these attributes must be accepted internationally because different names, symbols or designs might be perceived differently or have different meaning. For example, the brand of Malaysia Best, which is used to present quality local fruits, is accepted by international consumers.

Kotler (1976) suggested four purposes of branding such as for identification, to protect the unique figure, to be recognized as a quality product and to create price differentiation. The number of the same products being produced and marketed around the world is increasing every second. The open door policy imposed by the World Trade Organization (WTO) has created a free flow of products across countries.

Other than to differentiate between products, brand names also identify its country of origin and the manufacturer of the products. However, the association between brand and quality has been questioned, as many empirical studies have shown that quality alone can explain only 20% of the prices consumers are willing to pay for different packaged food products (Sethuraman 2003).

The challenges of branding for agricultural produce

Agricultural produces are different from manufacturing products. They are unique in their characteristics, such as perishable, have short shelf life, and have no standard sizes and colours. For example, when a farmer harvests his pineapple, he has to harvest the whole farm that contains different ages of fruits, has different sizes, colours and quality. Thus, these characteristics cannot represent the good quality of the brand used for these pineapples. The short shelf life of the fruit will also affect the quality of the brand.

Agricultural produce is always associated with a variety of products. It is different from the manufacturing products which are associated with a product line. For example, there are many varieties and sizes of banana produced by producers. The same Malaysia Best logo is being used by farmers that produce small-size banana and also by farmers that produce bigger-size banana. This situation creates confusion among consumers. In another situation, the quality of fruit cannot be controlled or guaranteed by the farmers. Fruits from the same farm might have different quality in sweetness, colour, size and shape.

Methodology

As the agricultural brand is relatively new in Malaysia, qualitative methods were employed in this study. Two focus group involving research officers from an agricultural research institute were carried out. The first focus group involved eight research officers from one research centre, while the second one involved four research officers and three research assistance from different research centres. The selection of respondents with a similar profile is consistent with that of Malholtra et al. (2005) which suggests that a focus group should contain homogenous respondents. The second approach was an interview with a fruit exporter.

Focus group study was designed to encourage in-depth discussion on branding in the case of agricultural product marketing. In terms of sampling, as branding is a relatively new phenomenon in agricultural marketing, purposive sampling was used to invite opinion leaders for focus group discussions. Research officers were invited due to their expertise and sensitivity towards market changes and consumer behaviour that could be categorized under opinion leaders. In addition, they are also consumers of agricultural products.

The discussion was carried out in the meeting room of a research centre. A brief explanation of the objectives of this study was given at the beginning of the session. There were 15 voluntary participants and the discussion was moderated by a candidate of Doctorate in Business Administration (DBA). The focus group discussion took about 60 minutes for the first group and around 90 minutes for the second one. The discussions were recorded and then transcribed to serve as input for content analysis. The profile of the respondents is as shown in *Table 1*.

In the discussion, the participants were encouraged to give their opinions and perception as well as share their experiences in the following areas:

- Awareness and perception towards branding in agricultural product
- Criteria in purchasing fresh fruits
- Experiences in purchasing branded agricultural products
- Impact of branding upon the brand loyalty
- Association of brand and the purchase intention
- Perception of quality and intention to purchase

An in-depth interview was also carried out with an exporter of Malaysia's fruits that used Malaysia Best brand. The interview aims to look the impact of branding from the exporter perspectives. Conversation

Table 1. Profile of the respondents (n = 15)

		Number
Gender	Man	8
	Woman	7
Education level	PhD	4
	Master	5
	First Degree	3
	Diploma	3
Race	Malay	9
	Chinese	3
	Indian	3

was recorded and written transcripts were prepared pursuant to the discussion.

Findings and discussion

Awareness towards agricultural brand

The agricultural brand was considered new to respondents. Some of the respondents could not differentiate between agricultural brands and manufacturing brands. The term agricultural brand was confusing to some respondents. Agricultural brand is always associated with the agriculture industry and portray the image of agriculture, which is natural and conventional. The agricultural brand also referred to the image of farmers, plant, that represent traditional image and not attractive.

Some respondents could not recognize the Malaysia Best brand as not many products were sold in the markets. Malaysia Best brand is only used on selected fruits which are produced by SALM certified farm. At present, less than 100 farms obtain SALM certificate and were allowed to use Malaysia Best brand. Some respondents took time to recall this brand and associate it with other products. In general consumers' awareness towards Malaysia Best brand was mixed.

It seems that the senior officers who have been working with the government could recognize this brand, while the younger generation did not really bother about the existence of this brand. At the same time, unavailability of the brand in the markets has contributed to the lack of awareness among Malaysian consumers.

From this finding, it can be said that the awareness programme towards the Malaysia Best brand is not effective. It may be reflected by the lack of promotion or educational programmes.

The relationship between brand and agriculture

In the case of Malaysia Best Brand, many respondents agree that it is important for foreign markets, but has a little value in the local market. Most of the respondents emphasized that branding is mostly for the export market rather than for local market, specifically as the mean of brand identification.

For the local market, few respondents have stated branding as the barrier for selling the product, due to the increased price. They prefer to buy unbranded product because it is cheaper than the branded one.

Respondents also associated branded products with higher price. However, some respondents were still willing to buy branded agricultural produce as long as the price is still reasonable. The acceptable price increase is in the range of 30–50 cents.

These findings indicated that branding the agricultural product has less impact in the local market. The respondents revealed that if the product is of better quality, only then they are willing to buy the branded product.

Purchase intention

The findings clearly illustrate that branding of agricultural produce is important for export market, whereas it has a very little impact upon local customers. From the interview with the exporter that started using Malaysia Best brand since 2004, it was evident that Malaysia Best has positive effect in influencing foreign customers, specifically the Japanese. They were willing to pay higher price for quality products.

The fruits with Malaysia Best brand as an additional logo to the exporter's brand was an advantage, because the fruits are considered certified by government body

since Malaysia Best brand is a national logo. Nonetheless, for local market, the brand shows negative intention to purchase the products due to its increased price.

These findings indicate that the intention to purchase branded agricultural food is high for foreign markets. On the other hand, the motivation to purchase these types of food items is moderated by other factors such as price and quality of the products. Price is the main criteria to purchase, followed by the quality of the product.

Conclusion and implication

Branding is one of the marketing tools to bridge the gap between producers and customers. Brand is important for either manufacturing or agricultural products. Brand creates value to a product, but it does not lead the intention to purchase in local market, although it plays a vital role in the foreign market.

The findings of this study have some important implications for both research and theory, as well as to the brand managers. Firstly, brand is important for agricultural produce that is to be exported. It is important as an identification of country of origin and as determinant to the quality of product. In the case of Malaysia Best brand, it is not only a product identification, but also a certification of quality and safety by the government. Thus, the exporters need to put more effort in branding their agricultural produce and Malaysia Best brand is an additional advantage.

Secondly, brand has little impact on agricultural products that are sold in local markets. As the quality of branded and unbranded agricultural products sold in local market is not clearly distinctive, consumers are sceptical to buy the branded one. Consumers are not really influenced by the brand as it will be associated with high price. The marketers of agricultural produce need to be careful about maintaining cheaper price to market their product. Thirdly, it is essential to take better, efficient and

effective promotional strategies to make the local customers aware of the importance of purchasing branded agricultural products.

Limitations and future research direction

This study was carried out as a part of the authors DBA coursework programme. As per to the authors' knowledge, this study was the pioneer in the study of exploring branding issue in the agricultural sectors, specially in the case of Malaysia Best brand. Hence, it only provides some initial exploratory findings to explain the phenomenon. It is hoped that this study would trigger more studies in the future to provide comprehensive information and conclusive results. Quantitative research technique, especially the survey method can give a better and concrete picture on the topic. Moreover, many research areas could be explored further, for example, the perception of branded agricultural food products and different groups of consumers (e.g. highly educated and average educated; local and foreign buyers); and relationship between branded agricultural product and customer switching behaviour.

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Abstrak

Jenama ialah satu daripada isu kritikal kepada produk perkilangan. Namun begitu, penekanan kurang diberikan kepada penjenamaan produk pertanian, khususnya di negara membangun seperti Malaysia. Kajian ini bertujuan mengurangkan jurang berkaitan penjenamaan produk pertanian. Memandangkan isu penjenamaan produk pertanian ini dianggap baru di Malaysia, kaedah kajian kualitatif telah dijalankan, iaitu kaedah kumpulan fokus dan temu duga mendalam. Hasil kajian ini mendapati, konsep penjenamaan produk pertanian masih dianggap baru di Malaysia. Pengguna Malaysia masih keliru dalam membezakan jenama produk perkilangan dengan produk pertanian. Bagi mereka, jenama adalah sama untuk semua jenis produk; dan ia menunjukkan identiti, simbol kualiti dan sebagai penghubung antara pengeluar dengan pengguna. Kajian ini menunjukkan pengguna tempatan tidak merasakan jenama sebagai sesuatu yang penting bagi produk pertanian kerana sukar membezakan antara produk berjenama dengan yang tidak berjenama. Sebaliknya, jenama adalah penting kepada produk pertanian yang dieksport. Selain berfungsi menunjukkan negara asal, jenama Malaysia Best turut memberi jaminan kualiti dan keselamatan daripada kerajaan Malaysia.