

# The Economic Times

## A Strategic Tool Called Branding

Branding can help SMEs differentiate from competitors by creating an enhanced market positioning and building a strong customer base

IT is a generally held wrong belief that branding is only for the big boys of industry and that SMEs are better off focussing on product and pricing. Far from it. Branding has nothing to do with size; it is about defining and regularly highlighting the value propositions of a company in the customer's mind and in the market. "However small the company, it must think about its branding. Only then will it be able to attract talent, forge alliances and achieve growth," says Mr Ramanujam Sridhar, CEO, Brand-Comm.

Being an SME can in fact be advantageous as it gives more flexibility for the adoption and implementation of any strategy or policy. "As an SME, we are more flexible and innovative to leverage marketing strategies for entering new product markets and coping with complex environments. With the help of our in-house marketing communication, we have become more adept at accommodating brand management practices that produce positive results," says Mr Sunil Ghorawat, Managing Partner, Earth Water Group.

Branding includes but goes beyond the tangible elements like the company name, logo, tagline, etc. An organisation's brand image is definitely reflected in its products and/or services but it is also reflected in its internal processes and philosophies as well as at its various points of contact with customers and other business partners. In other words, branding is everything that a company does. Therefore, it is critical to determine – right from the beginning – the brand image that a company wants to communicate. "You need to decide what your vision is and what your brand will stand for," says Ms Suhasini Kirloskar, Co-founder of Edge Partners. Thus, you need to have a long-term brand strategy and it must be integrated with the overall business plan. Having a brand strategy doesn't necessarily mean having a huge advertising budget; advertising (or marketing) is not branding – it is the communication of the brand. Good branding is about putting the difference into everything – from receiving phone calls to packaging & delivering the product and from training employees to providing after sales service!

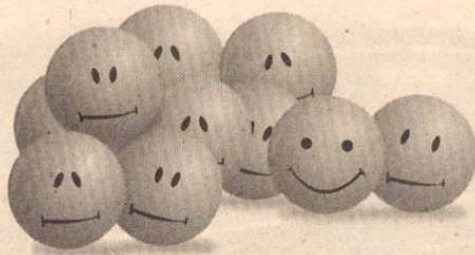
"The vision or goal statement should be visible to all at all times to create a belief in the same at all levels. Proper branding creates loyalty from customers and employees," says Mr Pradeep Dutta, Executive Director, IKF Technologies Ltd. True, branding at times may mean spending on something that is not a core business; something that SMEs are known to detest. However, SMEs need to look at it as an investment and not as expenditure. "Even if the investment in brand building is significant, the returns can be huge if the company knows what kind of a brand it is aspiring to become," says Dr Debasis Chatterji, Director, NetXcell.

Engaging employees at every level with the branding process is indeed very critical. Many times, the brand vision doesn't permeate beyond the senior management of a company and therefore it becomes blurred. Thus, it is essential that each employee – irrespective of his/her position in the organisational structure – internalises the brand value and carries forward the vision. It may sound complicated but it can be a very interesting and useful exercise in the long run. Involving employees in the

branding exercise will give them a sense of belonging as well as a sense of ownership and will prove very beneficial in retaining them. Attracting the right talent and retaining it is indeed a huge challenge for most SMEs. Just as people love to buy well-known brands, they also love to work for well-known brands. Sadly, SMEs are usually not looked upon as ideal employers even if they may have employee friendly policies. "SMEs follow best of the class HR practices, employee welfare and provide extensive trainings but still end up losing people to a large company thereby end up being training grounds for bigger brands," says Mr Neeraj Mediratta, CEO, Ace Data. That's an observation with which many SMEs would be able to relate to. That's why he too insists that SMEs should focus on branding. Branding can do wonders in attracting (and retaining) the right people. "It has worked remarkably well for us. There are talents from biggies and giants of software industry joining us now," states Mr Satish Chathanath, Head, Corporate Communications, Aspire Systems (India) Pvt Ltd.

By not creating a strong brand image, many SMEs could actually be losing out on good business opportunities even if they have the right products or services at a competitive price. "Being focused on the core area SMEs are able to maintain good quality of service deliv-

ery. Despite this, most of the large customers choose to go with a bigger brand and not a small company. Many a times the proposal from an SME is not looked at by an enterprise customer because the top decision makers have not heard of that name," explains Mr Mediratta. A good brand not only gives market recognition but also helps outshine competition. With globali-



Chandan Naik

sation, competition has now acquired wider dimensions and therefore branding makes all the more sense. "Every corporate has potential competition not only from the national and regional counterparts but also from the international players! Brand strength can alone help the company withstand the pressure of competition, sustain base and grow parallelly," remarks Ms Usha Periasamy, AGM (Brands and Communication), Royal Classic Polo Group. "It is even more critical for SMEs in the retail era where visibility directly or indirectly results in business. Branding thus is a crucial differentiator," adds Mr Raghu B Viswanath, MD, Vertebrand Management Consulting Pvt Ltd.

Branding empowers a company to stand out in the commercial crowd and enhance its position; SMEs need to realise that branding can be used as a strategic tool for growing their businesses. "For a long-term and sustainable business, it's very important to also pay attention to the brand. The brand is what will keep you top-of-mind, so that people will reach out to you when they have a need for you – creating a pull in addition to your push," says Ms Kirloskar. "It is through its brand image that an enterprise will attract and, more importantly, retain consumer loyalty for its goods and services and thus bring very real and concrete value to its business," adds Mr Rajesh, MD, Rajathi Group.

If business is about creating value, branding is about giving 'meaning' to that value. It 'means' what your business stands for. It means a lot!

– NIRANJAN MUDHOLKAR