

## The Value of National Brand and Local Brand

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### ABSTRACT

Brand can only be valuable if it is accepted and purchased by the consumer. The value of a certain brand is very subjective. However, it would be beneficial to know the value to determine the best potential way for local entrepreneurs to proceed with their business operations. This study proposes a conceptual framework on the value of the 1Malaysia brand with other local brands through the One District One Industry (SDSI) programme. These government programmes mainly focus on fast moving consumable products. There are four main constructs in the conceptual framework: 1) national brand (1 Malaysia), 2) local brand (through SDSI programme), 3) consumer choice and 4) brand value.

**KEYWORDS:** Brand, Choice, Consumer, Local, National, Value.

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### INTRODUCTION

Tremendous efforts have been made to encourage local entrepreneurship. The introduction of the 1Malaysia brand by the government has opened up more space for local entrepreneurs who would like to significantly increase their market considerably without putting too much concern on brand name. The government has also introduced the One District One Industry (Satu Daerah Satu Industri) programme to provide a stable platform for entrepreneurs who would like to develop their own brand name. The main objective of national brand through the 1Malaysia brand as well as the SDSI programme is almost similar. It is a path for local entrepreneurs to reach a huge market for selling fast moving consumption products.

#### National Brand (1 Malaysia)

The Malaysian government has introduced the “1Malaysia” brand not just for the sake of unity among a multiracial society but also to provide the basic necessities for consumption to the society, especially for those who are from the middle and low income groups who prefer to purchase products that comprise basic necessities at a more affordable price. This branding concept is an alternative for local entrepreneurs to market their products without bothering about brand name. The main attraction of this branding concept is the product price, which is between 30 to 50 per cent lower than other comparable manufacturing brands on the market. The brand was introduced to sell basic necessities through retailing outlets that are known as Kedai Rakyat 1Malaysia. The branding concept has been widely accepted by consumers, especially those living in urban and suburban areas [1]. Parallel to the consumer acceptance of the branding concept on basic necessities, the government has widened the branding concept to include three additional products for selling fresh fish (Kedai Ikan 1Malaysia), books (Kedai Buku 1Malaysia) and fabrics (Kedai Kain 1Malaysia).

#### Local Brand (One District One Industry)

The One District One Industry is also known as the Satu Daerah Satu Industri (SDSI) programme. This programme was introduced by the government to encourage local entrepreneurs who would like to develop their own brand name. Through this programme, the participating entrepreneurs have the opportunity to create brand awareness for new potential consumers through the hypermarket channel. This is a platform to distribute local brand products through well-known hypermarkets. There is also an opportunity to spread the market territory across borders to other countries through the international hypermarket retailing channel if the product is able to meet the expected standard requirements [2]. The products that are highly sellable through the SDSI programme include drinks, food, hand crafts, beauty products, clothes and accessories [3].

#### Consumer Choice

Brand provides rational needs and emotional needs through the simplification of choices [4]. There is no boundary for choice [5]. Choice is perceived by consumers through circumstances, the support network and accessibility [6]. Choices or varieties are not just ‘available’ but could also be ‘made’, which gives an opportunity for the consumer to be empowered and expressive whereas the lack of choice will lead to a disconcerting and demoralizing response [7]. Although consumers prefer to have many categories within a

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particular brand [8], they might face difficulty in making decisions if there is information overload, such as too much variety in terms of brands and stores [9]. Normally, the choice of consumers is always limited [10]. Consumers are hindered by disposable income and mobility. Thus, the choices are shaped by 1) social and cultural issues, 2) price and disposable income as well as 3) location. Shopping choice is according to the 1) rhythm of everyday life and 2) social relations [7]. However, shoppers who purchase on impulse tend to be unconcerned with what is going to be purchased since this type of shopper usually shops without an advance plan or list [9]. In this study, consumer choice refers to consumer preference to purchase either the 1Malaysia brand or other local brands that participate in the SDSI programme.

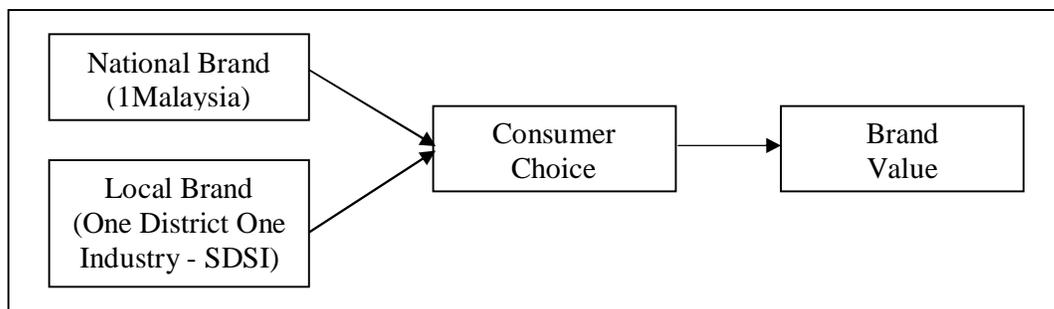
### Brand Value

Brand is a bridge to market any product or service [11] by providing cues and influencing consumer purchasing behaviour [12]. There are many elements that are embedded in brand value. Brand perception is never controlled by the manager and is perceived differently depending on the culture of a particular location. For example, a particular brand might be perceived as sophisticated in certain places while not in other places [13]. Cultural beliefs and values can be determined by looking at consumption [14]. It is not easy to create and capture value in the market due to the diversity in consumer needs. Brand value should be created through attentive and innovative ways [15] depending on market characteristics in certain places [16]. The specific value should give more meaning than general value to the consumer. High involvement products require more attention than low involvement products to create better value and enhance the purchase intention [17]. Value can be communicated through advertising and evidence [18]. The value includes retailer image, quality, service and shopping experience [19]. Companies commonly use signals as a way to represent value to customers. Price and brand name represent signals for quality and value [20]. Consumers who aim for value will look for a price that is not too high and is value for money [21]. However, sometimes the value is perceived to be higher if the price is higher [17]. In this study, brand value represents the benefit that is gained through consumer choice for either the 1Malaysia brand or other local brands that participate in the SDSI programme.

### Conceptual Framework

A conceptual framework is developed based on four main constructs: 1) national brand (1Malaysia) 2) local brand (One District One Industry-SDSI), 3) consumer choice, and 4) brand value. Since the functions of national brand and SDSI programmes are similar, both of the constructs will be positioned as parallel independent constructs. Brand value is positioned as a dependent construct since it is the main research outcome. Brand can only be perceived as valuable from the consumer perspective. For this reason, consumer choice is placed as the mediating variable between national brand and local brand with brand value. The conceptual framework is as shown in figure 1.

Figure 1: The Value of National Brand and Local Brand



Based on the conceptual framework, three main relationships are proposed as below:

**Proposition 1:** There is a significant relationship between national brand (1Malaysia) and consumer choice.

**Proposition 2:** There is a significant relationship between local brand (through SDSI programme) and consumer choice.

**Proposition 3:** There is a significant relationship between consumer choice and brand value.

It is expected that the brand value of the national brand (1Malaysia) and local brand (through the SDSI programme) is highly dependent on consumer choice. The value of the national brand is perceived as positive if consumers prefer to purchase the products. Similar to the perception towards the local brand under the SDSI programme, the local brand is perceived to be valuable if the consumers prefer to purchase the product. In contrast, the brand is perceived to be of no value if the consumer does not purchase the product.

## Conclusion

Research on brand value by the national brand (1Malaysia) and local brand (through the SDSI programme) is expected to generate new knowledge concerning how consumers react towards both government programmes and how far the programmes could be enhanced. This conceptual research can be a path to generate more knowledge through more detailed investigations through data collection and strong statistical analysis. It is also expected through detailed research, the programme could provide more benefit to our local entrepreneurs as well as to the consumers.

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