

BRANDING STRATEGIES FOR AGRIBUSINESS ENTERPRISES

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ABSTRAK

Branding merupakan komponen kunci dalam strategi pemasaran yang memberikan manfaat yang sangat besar terhadap perusahaan, distributor maupun konsumen. Seiring dengan semakin pesatnya perkembangan pasar global dan meningkatnya infrastruktur dalam transportasi, perkembangan teknologi dan berkurangnya hambatan dalam pemasaran dalam negeri maupun perdagangan luar negeri maka suksesnya *branding strategy* yang diterapkan oleh perusahaan berimplikasi pada meningkatnya jumlah ekspor ke pasar internasional.

Tulisan ini bertujuan untuk mengidentifikasi konsep dasar dari strategi *branding* dan membahas tentang pentingnya strategi *branding* dalam perusahaan agribisnis dengan mengambil contoh suksesnya perusahaan agribisnis di Australia dengan mengkampanyekan branding 'Australian Fresh'. Teknik penulisan dilaksanakan melalui Studi Pustaka dengan berpedoman kepada sumber-sumber yang relevan seperti hasil penelitian dan tulisan-tulisan sebelumnya.

Hasil studi menunjukkan bahwa (i) *Branding* sebagai suatu kombinasi dari simbol, nama dan desain dari sebuah produk yang mengidentifikasi produk serta membedakannya dengan pesaingnya harus mempunyai keunikan dan daya tarik tersendiri sehingga sangat menarik di benak konsumen yang akan mempengaruhi keputusan pembelian terhadap produk maupun jasa yang ditawarkan; (ii) Peningkatan *branding strategy* akan mempengaruhi peningkatan dalam posisi tawar, persaingan dan meningkatnya jumlah ekspor ke pasar luar negeri; (iii) Sifat produk agribisnis yang mudah rusak, musiman dan memerlukan banyak ruang untuk penyimpanan memerlukan strategi *branding* yang dikemas secara khusus sehingga mencerminkan konsistensi dalam kualitas dan kontinuitas. Keseluruhan konsep-konsep dalam strategi pemasaran seperti *marketing mix* (*produk, price, promotion and distribution*), *market segmentation, targeting* dan *positioning* memerlukan suatu kesatuan dalam sistem pemasaran yang terintegrasi; (iv) Kesuksesan perusahaan agribisnis di Australia dengan mengkampanyekan branding 'Australian Fresh' yang sangat memperhatikan kualitas kesegaran produk dan kontinuitasnya menyebabkan ekspor ke negara-negara Asia khususnya Indonesia berkembang sangat pesat. Hal ini patut dipakai sebagai contoh dalam pengembangan perusahaan agribisnis di Indonesia dan peningkatan jumlah ekspor ke pasar luar negeri.

Kata kunci: brands image, pesaing, keragaan ekspor.

ABSTRACT

Branding is a key component of a professional international marketing program which offers many operational and financial benefits for the brand owner at the same time as it provides many advantages for distributors and the consumer. While branding is fundamental to export market performance in certain industry sectors, it will also become more important in the domestic market as an increasingly global market place resulting from improvement of transportation, changes in technology and declining trade barriers exposes domestically oriented suppliers to the sophisticated marketing practices of overseas market.

This study identifies key concepts of branding strategies and discusses the importance of branding strategies for agribusiness enterprise in a case of Australian Fresh. The result showed that (i) Branding as a symbol, name and design or a combination of them intended to identify the goods or services and to differentiate them from those of competitors, needs to have a unique & meaningful brand to the consumer, therefore it will improve consumers needs to decide on purchasing process to buy the product; (ii) Key Branding Concepts of importance to export development include overall integrated marketing strategy, elements of the marketing mix and related marketing activities must be consistent with and supportive of the brand, segmentation, targeting and positioning are critical steps in the development of a brand, the maintenance of consistent actual quality so that the brand does not vary from one purchase to the next (iii) Improved brand marketing strategy will assist agribusiness industries to remain internationally competitive and improve export performance in target markets; (iv) Key Branding issues for Australian Fresh: The Australia Fresh Campaign provides a mechanism for branding and promotion and as an umbrella branding strategy, it allows for wide participation for individual producers and improve export performance to Asian especially to Indonesia can be used as an example to improve agribusiness and export performance of Indonesia to overseas market.

Keywords: brands image, competitors, export performance.

INTRODUCTION

Background

Branding is a key component of a professional international marketing program which offers many operational and financial benefits for the brand owner at the same time as it provides many advantages for distributors and the consumer. While branding is fundamental to export market performance in certain industry sectors, it will also become more important in the domestic market as an increasingly global market place resulting from improvement of transportation, changes in technology and declining trade barriers exposes domestically oriented suppliers to the sophisticated marketing practices of overseas market.

The brand is a very important part of marketing strategy for both small and large firms. It provides a basis for consumers to understand and select the product. Clients and consumers will pay a price premium for a branded product which denotes consistent and high quality. The development of brand, in conjunction with an integrated marketing strategy, has the capacity to significantly strengthen the performance of products in export markets. Branding represents an opportunity to improve the sales and profitability primarily through the development of a loyal customer base. As such, the brand has the potential to become an extremely valuable asset for firms.

Aims of the Study

This study will identify key concepts of branding strategies and discuss the importance of branding strategies for agribusiness enterprise in a case of Australian Fresh.

AN OVERVIEW OF BRANDING

The Concept of Branding

'Brand is a name, term, symbol, design or a combination of them intended to identify the goods or services on one seller or group of sellers and to differentiate them from those of competitors' (Kotler, 1994). A brand is a promise by providers that the products and services will be consistent in quality from one purchase to the next. Furthermore, a brand is a communication tool which bundles a range of benefits into one identifiable theme that provides consumers with information to facilitate the purchase decision.

A brand consists of four main components:

- a name that is distinctive and recognizable to customers'
- a mark or symbol made up of letters, graphics and colours,
- a product design and packaging which make it different and unique,
- legal status through a registered trade mark which gives it and the product protection from imitators.

A strong brand can convey up to six dimensions of meaning (Smith, et al., 1997):

- Attributes: these are qualities that are associated with the brand. For instance, the McDonald's brand suggests consistent quality of food, speed and convenience, value meals and a family atmosphere.
- Benefits: brand marketers need to translate attributes into rational and emotional benefits. For instance: the attribute 'speed and convenience' may translate into the rational benefit 'buying a McDonald's meal with save time'.
- Values: a brand can also suggest something about the producer's values. McDonald's is seen as family and service oriented. Therefore, marketer for McDonald's need to tap into the specific groups of consumers who share similar values.
- Culture: brand can be representative of a certain culture. McDonald's, represents The United States – the home of the hamburger, fries and Coca-Cola.
- Personality: brand can also reflect a personality type. When consumers are asked to describe a brand, they can describe it in terms of human or animal characteristics.
- User: often a brand can suggest the kind of consumer who is likely to buy or use the product and/or services. Typical users of McDonalds are teenagers and families; however, McDonald's is increasingly appealing to young, and busy professionals.

Brands Equity and Loyalty

Brand equity is the measure of the power and value of a brand, achieved through brand loyalty, brand awareness, brand associations, perceived quality and other assets such as trade mark, patents, extension to other products and channel relationship (Aaker, 1991; Smith, et al., 1997). Brand loyalty is a measure of the attachment that a customer has to a brand. It reflects how likely a customer is to switch to another brand, especially when that brand makes a change, either in price or product features. When brand loyalty is high, customers are less likely to be influenced by the marketing activities of competitive organizations.

Brand loyalty ranges from consumers who are indifferent to brands and simply buy on price, to committed buyers who are characterized as heavy user of a particular brand. Brand loyal customers tend to be more involved with the purchase and less price sensitive and tend to base the purchase decision on the attributes of the brand. Brand loyalty directly translate into sales and brand loyal customers provide value to the firm through the following ways: reduced marketing cost, trade leverage , new customer attractions to respond to competitive actions.

Brand Awareness

Brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. Brand awareness ranges through five levels, from complete unawareness to the dominant brand position (the belief that the brand is the only one in the product class). The middle levels include brand recognition, brand recall and top-of-the-mind awareness. Brand recognition occurs when a customer is able to associate the brand name with a product class when the brand name is given, whereas brand recall occurs when a customer can recall brand name without being prompted. The aim for brand marketers is to achieve top-of-the-mind awareness or the dominant brand position. A dominant brand provides a strong competitive position for an organization, as it means that consumers will often not consider other brands in the purchase situation (Aaker, 1991).

Brand Associations

A brand association is anything linked in memory to a brand, anything that comes to mind when the consumer thinks of the brand. The association not only exists but has a level of strength (Aaker, 1991). Strong brand associations provide value to the firm and to its customers by aiding the purchase decision in the following four ways:

- **Processing and Retrieval of Information:** A brand association such as a simple logo or symbol can communicate a wide range of information that would be more difficult and expressive for the firm to spell out. For example, the symbol of McDonald's golden arches triggers thought of burger, fries, friendly efficient service, good value for money and kids' birthday parties without actually having to say all those words (Aaker, 1991).
- **Differentiating:** In product classes where it is difficult to distinguish brands, an association can differentiate one product from another. A differentiating association can be a key competitive advantage and a formidable barrier to competitors (Aaker, 1991). For example, association with a product's country of origin has the capacity to link the characteristics of the country to the brand a distinguishing feature not applicable to other products in the category (Aaker, 1991). 'mainly cheese is strongly linked to New Zealand, which suggests that the cheese comes from cows raised on rich, green pastures, is made in the old fashioned traditional way and is pure and natural.
- **Reason to Buy:** Brand Association may involve product attributes, customer benefits or endorsements that provide a reason to buy the brand. They can represent a basis for purchase decisions (Aaker, 1991).
- **Extensions:** Brand association can also facilitate brand extensions, enabling them to 'fit' the brand

name. Sunkist, with its association with the outdoor life, is not only suitable for soft drinks, fruit bars and vitamin C tablets (Aaker, 1991).

Perceived Quality

Perceived quality is defined as the consumer perception of the overall quality or superiority of a service with respect to its intended purpose, relative to alternatives (Aaker, 1991). It is important to note that perceived is not product-based quality or the absence of defects; it is a subjective judgement. It is based on the intended purpose of the product/service or brand relative to similar alternatives. Perceived quality adds value to a brand in five ways (Aaker, 1991):

- **Reason to Buy:** The perceived quality of a brand determines whether the brand is likely to be contained in the 'evoked set' and subsequently purchased. When the perceived quality of a brand is high, the consumer is provided with a reason to buy.
- **Positioning:** A key aspect of the positioning of a brand is its position in terms of the perceived quality dimension. The firm has to determine the brand's fit in relation to the perceived quality of competitors brands—premium, good value or budget (Aaker, 1991).
- **Price:** When the perceived quality of a product is high, the firm has the option to charge a premium price or offer superior value at a competitive price. Premium pricing provides the firm with additional resources and reinforces the perceived quality of the brand, while competitive pricing should result in a larger customer base (Aaker, 1991).
- **Channel Member Interest.** The perceived quality of a brand is of interest to wholesalers, retailers, and often distributors who are keen to stock brands that are consistent with their image and well regarded among consumers (Aaker, 1991).
- **Brand Extension:** Brand Extension are likely to be more successful when a brand is well regarded with respect to perceived quality.

The Importance of Brands

Firms need to weigh up the advantages and the potential benefits of branding against the expense and commitment needed to develop a meaningful brand. A successful brand became household names and were extremely valuable assets for the firms. Brands also provide important advantages for consumers. One main advantage is that they facilitate shopping by reducing the risk inherent in the purchase decision. Brand names provide consumers with a means of identifying products and an assurance of quality. The brand name assures consumers that the product will be consistent from one purchase to the next (Assael, 1993).

Brands also save consumers' time. In a product category where consumers are familiar with a particular brand, provides them with information on the brand's

performance relative to that of unbranded products. Hence, a recognizable brand saves time in evaluating a range of products. ▸

KEY BRANDING ISSUES RELEVANT TO EXPORT DEVELOPMENT

As an integral part of marketing, branding begins with knowing the needs and wants of the target market, then communicating to that market that branded product meet those need in a unique way. Operationally, a brand needs to have an appropriate name and an appealing logo to help promote and distinguish its products. However, it is what the brand represents: quality, consistency, reliability and continuity of supply that it is most important; unless these can be guaranteed, it is pointless having a brand (Brandson and Norvell, 1993).

The brand must be supported by a professional advertising and promotional campaign and distribution management system, backed by a strong in-market presence. It also requires leadership built on some basis of authority. Branding must be seen as a long term strategy eight significant up-front investment. The real gains from branding come from capturing the promotional expenditure to maintain its influence on sales growth over a long period. However, significant gains can be achieved by developing branding strategies specifically for the wholesale and retail levels (Aaker, 1991).

In spite of the manifest evidence of the enormous value that brands can contribute, branding is poorly understood and under-utilised in many industries and business. The role of branding extends far beyond its identifying and operational functions and its value extends beyond adding to the market value of a business. Branding has a strategic role and is an intrinsic part of marketing strategy. It can add value to the firm's product, increase efficiencies in promotion and distribution and provide a focus which captures the loyalty of imports, wholesalers, retailers, customers and the firm's workforce alike (Smith et al., 1995).

Key branding concepts of importance to export development include (Smith, et al., 1995):

- Branding is an overall integrated marketing strategy,
- Elements of the marketing mix and related marketing activities must be consistent with and supportive of the brand,
- Segmentation, targeting and positioning are critical steps in the development of a brand,
- The products beneath a brand should be differentiated and unique from the competition,
- Branded products to be able to supplied consistently and the quantities demanded by the market,
- The maintenance of consistent actual quality so that the brand does not vary from one purchase to the next,
- Branded product need to be backed by a reliable organization that is prepared to guarantee

quality.

Branding can, however, be a very expensive and complex exercise, requiring great commitment and skill, drawing on key concepts in market analysis, consumer behavior and marketing strategy. It is imperative, therefore, that firms, organizations and industries considering a brand strategy be conversant with the background and theory of branding strategy and particularly its parents disciplines relevant to the development and management of a brand (Smith, et al., 1995).

Marketing Concepts of Importance to Branding

A successful brand building process draws on key aspects of marketing theory. The relevant marketing principles and concept are important to organizations considering and currently undertaking a brand building process. The marketing concept holds that the key to achieving organizational goals lies in determining the needs and wants of targets markets and delivering the desired satisfaction more effectively and efficiently than competitors (Smith, et al., 1994).

Customer satisfaction is crucial to be implemented to gain the successful in marketing strategy, therefore 'Marketing Concept' need to be emphasized that profitable marketing begins with the discovery and understanding of consumer needs and purchasing behavior is integral to successful marketing (Peter and Donnelley, 1995). In some cases, after information is acquired, the consumer then evaluates alternatives based on what has been learned. One approach to describing the evaluation process can be found in the logic of attitude modeling that can described as follows (Peter and Donnelley, 1995):

- The consumer has information about a number of brands in a product class.
- The consumer perceives that at least some of the brands in a product class are viable alternatives for satisfying a recognized need.
- Each of these brand has a set of attributes (colour, quality, size, etc).
- A set of these attributes is relevant to the consumer and the consumer perceives that the different brands vary in terms of how much of each attributes they posses.

Furthermore, Kotler (1994) has defined that *'the marketing concepts holds that the key to achieve organizational goals lies in determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors. The marketing management is the analysis, planning, implementation and control of programs designed to create, build and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives'*. These include Strategic Market Planning, Segmentation, Targeting and Positioning, Product Definition, Consumer Decision Process, Product Portfolio Analysis as well as Market Growth Strategies (Kotler, 1994).

Finally, all of the marketing experts have agreed that the key to marketing success for a firm is to select markets to which its product, promotion capability, resources and experience are best suited and to concentrate on these distinct markets. This approach is the basis and focus of the strategic planning process for marketing.

The Agribusiness Marketing Program

In applying the marketing concept, the agribusiness firm puts together a marketing program composed of four parts called the Marketing Mix. The major part of marketing mix is agribusiness product and price, the promotion component and the channel of distribution. These four parts of marketing program are interrelated. Decisions about one part of the marketing mix will usually affect actions having to do with the others (Brandson and Norvell, 1993).

Product. The product part of marketing agribusiness has several dimensions. First, there are the physical aspects of products. Managing an agribusiness product include planning and developing it, so that possesses attributes that meet customers wants. Second, there are decisions about changing an existing product so that it keeps pace with market needs. Third, there is the development of new product. Fourth, there are actions relatives to the assortment or mix of product carried. The product part of the marketing program also includes decisions about branding, packaging and related matters (Brandson and Norvell, 1993).

Price. Agribusiness management must select a pricing strategy as it approaches customers with a product. This strategy must take into account possible actions of competitors; however price level may also convey the image of a product to consumers. Beyond a basic pricing strategy, the agribusiness marketer needs pricing tactic to deal with discounts, freight payments and other price related situation for wholesalers and retailers (Brandson and Norvell, 1993).

Promotion. The promotion is the part of the marketing program is used to inform and persuade present and potential customers of the worth of the firm's products. Advertising, personal selling and sales promotion are the major promotional activities.

Channels of Distribution. The prior component is the channel of distribution selected to fit with the rest of marketing program. A channel is a composed of the sequence of marketing firms used to move the product to final consumers. The agribusiness manager is responsible for selecting the channels which will ensure that the product reaches the customers at the right place, right time and right price (Brandson and Norvell, 1993).

A CASE STUDY OF AUSTRALIA FRESH

In 1995, Australian Horticultural Council (AHC) launched The Australia Fresh brand. The Australia Fresh Branding Program is part of wider campaign to boost exports of Australian produce in export markets. The

national logo was developed by AHS and members of the Australian horticultural industry to distinguish Australian produce from the competition (AHC, 1995). The Australia Fresh Brand Name is design to promote three main messages to consumers and the trade in overseas markets: The Australia origin of the produce, the clean growing environment in Australia and the health and nutritional value of fruit and vegetables (Asia Fruit, 1995). Other strategies implemented by AHC to increase Australia's horticultural export include world's best practice and benchmarking, finance for horticultural development, improved market access and enhanced management skills (Austrade, 1986).

To use The Australia Fresh Brand name and logo, domestic producers must apply to AHC for a license. Before a license is granted AHC requires producers to meet prescribed conditions, which include the establishment of a quality management system. AHC reserves the right to review periodically the applicant's activities to check compliance. Australia fresh is design to be an umbrella branding strategy and the brand name can be used in conjunction with a producer's own brand. The umbrella is supported by a wide range of activities such as print and television advertising, public relations campaigns, retail sales promotion and exhibitions. Licensees are also provided with a range of point-of-sales material (AHC, 1995). Key Branding issues for Australian Fresh (Smith, et al., 1994):

- The Australia Fresh Campaign provides a mechanism for branding and promotion that did not previously exist.
- As an umbrella branding strategy it allows for wide participation for individual producers.
- The campaign is yet to develop an intensive, integrated marketing program which is required to generate high in market recall.
- The ability to ensure high quality product standards will be a key success factor for the Australian Fresh campaign.

Key Branding issues for Australian Fresh: The Australia Fresh Campaign provides a mechanism for branding and promotion and as an umbrella branding strategy, it allows for wide participation for individual producers and improve export performance to Asian especially to Indonesia can be used as an example to improve agribusiness and export performance of Indonesia to overseas market.

CONCLUSION

Improved brand marketing strategy will assist agribusiness industries to remain internationally competitive and improve export performance in target markets. The key to success in branding goes far beyond the mere attachment of a name because branding is a symbol, name and design or a combination of them intend to identify the goods or services and to differentiate them from the competitors, so that needs to

have a unique & meaningful brand to the consumer.

Key branding concept of importance to export development includes overall integrated marketing strategy, elements of the marketing mix and related marketing activities must be consistent to support the brand. Segmentation, targeting and positioning as well as the maintenance of consistent actual quality is also critical steps in the development of a brand.

The development of a successful and appropriate strategy is also depended on the type of product and the nature of the industry. Regardless of product and industry, however, there are a number of key branding considerations that will apply when developing a brand strategy. These include:

- Branding is part of an overall integrated marketing strategy.
- A brand is a communication tool which buyers use to facilitate the buying process therefore it should be clear, concise and meaningful.
- Meaningful brand associations contribute to the development of a strong brand.
- Products and brands must satisfy both the rational and emotional needs and wants of the target market.
- Branded product need to be able to be supplied consistently in the quantities demanded by the market.

Key Branding issues for Australian Fresh: The Australia Fresh Campaign can be used as an example to improve agribusiness and export performance of Indonesia to overseas market.

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