

16/02/1998

What's in a name?

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LET'S FACE IT. For a long time, our faith in Malaysian made goods was limited to just about as far as our pockets would dictate. Sure, spices and sauces were fine (you wouldn't think twice about picking up a bottle of Aminah or a packet of Brahim's rendang) but when it came to complex and technologically-advanced items like television sets, home theatre systems and personal computers, those with money often opted for the more established imported brands like Sony, Panasonic or NEC. Even if you couldn't afford to fork out RM10,000 for a high-end home theatre system, the next best option was to go for the lesser-known brands like Samsung or Goldstar. Try and push an obscure, homegrown Malaysian product and chances are you'll get a polite smile and a 'Tak apa-lah; No thank you...' Add to this the current economic problems affecting the country and things look decidedly grim...

Even Prime Minister Datuk Seri Dr Mahathir Mohamad has called on Malaysians to be more supportive of their products because it makes good economic sense. 'Consuming local products is not a sign of economic nationalism,' he said recently during the launching of the 'Love Malaysia, Buy Malaysian Products' campaign at the Malaysia International Design Export Centre (Idec), the Mines Resort City in Sungei Besi last month. 'We (Malaysians) should buy local products because imported goods have become more expensive as a result of the decline in the value of the ringgit.' Mahathir added that Malaysians had the capacity to produce literally thousands of goods which were of world standard.

There are those who say the current economic situation is a blessing but warn that it would be meaningless if nothing is done to take advantage of the situation. 'We have to start buying local products because not only does it help curb currency outflow, it also ensures the healthy development of the local manufacturing industry,' says Alternative Response Sdn Bhd general manager Md Khalid Abdullah.

Alternative Response, a subsidiary of the Country Heights Group, manages Idec, which was established to encourage Malaysians to buy local, thereby supplementing and supporting the government's efforts in that direction. Says Khalid, 'I think Malaysians have this impression that imported goods are better, and that's bad news for our local industries. We want to change that perception.'

Clearly, a lot more needs to be done before that becomes a reality, judging from the large Mines exhibition hall which was filled with merchandise ranging from television sets to furniture to personal computers but which lacked strong interest on the day Malaysian Business visited.

'It's not always this bad,' explains Shaheedy Affendy Abdul Latiff, manager of Salam Metrocourt Sdn Bhd, the distributor for Malaysia's very own Nikom electrical products and one of the exhibitors there. 'Normally the crowd comes in on weekends and even then the response isn't all that great because people still have this perception about Malaysian-made goods,' he says. 'But weekdays are generally tough.'

The campaign, initiated by Country Heights Holdings Bhd, will run for three months where exhibitors get to display their goods for free. It ends on March 31. But why this lukewarm interest when it comes to Malaysian products? Are they really at the bottom of the barrel when it comes to quality?

`I think they are on par with anything else on the market; we've been on par with products from other countries for the last 10 years,' says Federation of Malaysian Consumers Association (Fomca) president, Professor Hamdan Adnan.

If that's really the case, then why are Malaysians not making a beeline for homegrown products?

Hamdan explains. `For a long time the focus was on producing goods of a very high quality for the export market. The thinking was that the local market could settle for less. It made sense, because if the same standards were applied by the local manufacturers to the items destined for local consumption, production cost would escalate and prices would soar.

`So the thinking was, "Give the locals a little less. As long as the stuff works, they'll be happy."`Hamdan adds that for a long time, such differing standards existed within the country. Some manufacturers were guilty of feeding the local market with `can-do', throw-away goods. As such, the reputation of Malaysian goods among Malaysians suffered.

It was only recently, in the last decade or so that things started improving. In terms of quality, Malaysian goods are slowly making a name for themselves and people are beginning to notice. `The thing is, consumers are more discerning. Buying is a very personal matter. Our purchasing power has increased tremendously over the last couple of years and the choices offered are staggering. People aren't happy with products that don't meet their expectations. They're looking for items that last and it's comforting to know that local manufacturers realise this.'

Hamdan stresses that unless manufacturers take the lead and ensure that their products meet and exceed the standards of consumers both abroad and at home, we're back to square one. Shaheedy says the quality of Nikom sets are comparable to that of other high-end sets like Sony while costing between 25 and 50 per cent less.

`They can do this because most of the components are assembled locally (about 70 per cent) while the rest comes from other parts of the world, including Taiwan and South Korea.' But despite being cheaper, response to Nikom's line of products, which ranges from television sets to home theatre systems, is still lukewarm.

Why?

`There are a number of reasons but I think advertising, or rather, the lack of it, is the main problem. But this problem isn't confined to Nikom alone. The amount allocated by most Malaysian companies manufacturing home appliances is still low; sometimes non-existent,' says Shaheedy.

`I don't know whether it's because Malaysian companies are not savvy enough when it comes to advertising or that there's just not enough money to spread around.'

Hamdan agrees, adding that local manufacturers need to pay more attention to advertising and promotion. `When was the last time you saw a Pensonic or Nikom ad?,' he asks.

`I really don't understand this. You can hardly find advertisements of Malaysian products in Malaysia. If manufacturers don't advertise, how do you expect to build up brand awareness?' That (advertising) has always been the problem. People want to minimise spending so they cut back on advertising. That's where you go wrong because you can have the best product on the market but it won't mean a thing if people don't know about it.'

Another reason for the lack of response could lie in the choice of brand names. Malaysian brand names should not sound like cheap knock-offs of the more established brands.

Says Shaheedy, `I think one of the first things that needs to be done is to come up with brandnames that reflect our identity. Look at some of the

established Malaysian brand names - Proton, Brahim's and Zaitun, for example. I don't think that product confidence is an issue because they've built up a name for themselves.'

In a way Shaheedy says he understands why companies gravitate to their more established brethren. But at the same time, he says, it may prove to be their undoing. 'I suppose it works both ways - on one hand, you get instant acceptance; people think you're some little company from Japan because you've basically got the same name but on the other hand, people might think you're a cheap copy and nothing else.'

Another area that needs improvement, says Hamdan, is in research and development. 'No matter how you look at it, basically we're just assemblers. It's like we've figured out how to crawl and that's all that matters to us; walking and running isn't important. And that's the wrong attitude. We have to think ahead.'

'I find it hard to understand why we cannot improve our products to meet the needs of our own consumers.'

Hamdan stresses that if this campaign is to get anywhere, all parties must put in their effort. 'The problem is, we do things in starts and stops. When the need arises, everyone jumps in but after a couple of months, it fizzles out.'

Hamdan stresses that this time we cannot afford to take things lightly.

'The campaign should be pervasive. If there is a concerted effort by the government to promote Malaysian products, then its efforts should be carried through.'

Manufacturers, says Hamdan, should take up the challenge to meet the expectations of the public for quality merchandise. Attaining the ISO (International Standards Organisation) certification, he says, is something local companies should strive for, especially now, when customers are more discerning.

'I also think that the Federation of Malaysian Manufacturers should take the lead. But it's important to remember that we all must do our bit because if not us, who?'

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