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I-BERHAD-MARKETING (PIX)

I-BERHAD SCORES WITH MARKETING SAVVY

By: Yong Soo Heong

KUALA LUMPUR, May 23 (Bernama) -- When cash-rich Sumurwang Sdn Bhd bought a majority stake in Neico Industries (M) Bhd, the ailing manufacturing outfit which started as Sanyo Industries (M) Bhd, it (Sumurwang) did not want to be just an ordinary local electrical appliance manufacturer. It wanted to be different from what other local companies had done previously.

In less than a year since its takeover of the Taiping-based manufacturer, the new owners have brought about a fresh perspective on what a Malaysian company can do in terms of taking on more established foreign-incorporated rivals, better brand recognition and increased sales.

How did this come about within a space of a few months?

Besides having enhanced the quality of its four product lines of air-conditioners, refrigerators, rice cookers and table fans through technological innovation, the key towards this all-round improvement has been youthful exuberance and marketing savvy, say industry watchers.

With the company now known as I-Berhad (www.iwantmyi.com.my) and its products sold under the "i" brandname, the consensus among many is that it is easy on the lips and attractive to the eye.

With an eight-member marketing team, whose average age is not more than 25 years, they quickly zoomed in on brand recognition and undertook extensive market research with special focus on consumer needs and what the company produced.

Led by Ricky Lim, a 23-year-old accounting graduate from the University of Melbourne, the team members toiled under a tight deadline of three months and finally chose the "i" alphabet as the brandname as well as the logo, and orange as the corporate colour to reflect the exciting and bold future.

"Our selection was based on the taste of the total IT generation," said Lim in an interview.

Besides Lim, the other marketing team members included Esther Low, Jessica Lee, Tam Wai Yee, Jane Ng, Iam Looi, Charles Tan and Kim Ling Yew.

To meet the deadline, not only did the team members had to burn midnight oil, they had to do many things in parallel that would normally be done sequentially, Lim disclosed.

For example, the traditional approach would be to study the market, identify the needs and then develop the products.

But Lim said this approach would not have suited their objectives and would have exceeded the three-month target.

"As time was of the essence, we started off by determining the brand positioning even as the research data was being compiled. This was not difficult as it sounded as the home appliance industry is well-monitored and basic data was readily available. We used this to develop an outline concept which was then transformed and fine-tuned with the market study," Lim said.

He admitted that this approach brought about some duplications but the team, embodying the fighting spirit of "Malaysia Boleh", prevailed.

"Our approach was similar to what Tom Peters in his book 'In Search of Excellence' calls 'READY, FIRE, AIM'," he said, adding the "i" brandname was being positioned as intelligent, innovative and interesting.

Striving close to what Prime Minister Datuk Seri Dr Mahathir Mohamad frequently said about local products being able to become world class if

local companies emphasised on innovation and technology, I-Berhad highlighted on innovation and hi-tech areas which were yet to be focused by its competitors.

This aggressive promotion has paid off for it not only caught the attention of consumers but also competitors.

A good start was made in the first quarter of this year when I-Berhad chalked up sales of RM22.95 million and a pre-tax profit of RM4.51 million when compared with the total losses of RM5.36 million for the whole of last year.

When Sumurwang took over Neico last August, the appliance maker had already accumulated losses of RM3.83 million for the first half of last year. The losses were slashed to RM1.21 million in the third quarter and RM322,000 in the fourth quarter of last year.

Looking back, Lim said the "i" brand was where it was today because the young marketing team did not have prejudices or preconceived notions of what could not be done. They also readily identified with the age profile of the company's consumers -- newly-weds and those starting out on their own and having to consider purchasing home appliances for the first time.

"Ours is a situation where the initial success inspires itself. We believe that everybody has the ability to be creative -- it is a question of whether they were given the opportunity and the environment to develop it," Lim said.

Now that I-Berhad has stamped its mark on the home appliances industry, it is moving into "smart homes" following the convergence of telecommunications, IT and home appliances.

As a first step, the company is tying up with a foreign strategic partner to produce affordably-priced personal computers for the local market.

With the number of local Internet users expected to rise to four million in the year 2004 from 1.89 million at present, I-Berhad wants to ride on this growing trend, said its chairman, Lim Kim Hong, the prime mover of the company. -- BERNAMA

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