

SME brand management: a lack of business skills, financial support and human resources

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Brand management is a means to building a strong brand and enhancing business performance. This research project aimed to investigate how brand management is exercised in SMEs in Laos especially in the handicrafts sector and to identify obstacles in building a successful brand for the SMEs. This study employed a semi-structured interview as a data collection method for a qualitative research approach. A total of 10 participants were interviewed in Laos. The study has found that SMEs in Laos create their brand identity through the visions and values of business owners. Unique and quality of the products and the country of origin are the key aspects for building and developing brand identity. A majority of the SME entrepreneurs do not have particular knowledge relating to branding and brand management. The SMEs still face a number of difficulties when creating, developing and managing their brands due to a scarcity of budget and a lack of human resources.

Keywords: Brand management, managing, human resources

1. INTRODUCTION

Small and medium-sized enterprises (SMEs) are distinct from large companies in terms of capabilities, resources and skills, as well as having their own particular characteristics and abilities to grow in a market. With regard to the key role of SMEs, SMEs play a significant role in enhancing national economic development in several nations, even more importantly in the least-developed countries such as Laos (United Nations, 2012). SMEs are fundamental for poverty reduction and graduation from the least-developed country status. In Southeast Asian Nations including Laos or Lao PDR, SMEs in the region employ approximately 75-90 percent of the domestic workforce. They have strategic roles to play in the development of the private sector, employment creation and support to large enterprises (Tambunan, 2009). Salze-Lozac'h, Winijkulchai, and Wong (2014) argue that SMEs not merely play significant roles in employment generation, revenue creation and domestic investment, but they also have the capacity to innovate and develop new products that would continue to stimulate economic growth.

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Bihler (2014) demonstrates that apart from the large companies in the mining and hydropower in Laos, currently SMEs are the key contributors to the average annual 8% GDP growth rate and particularly in 2013 they provided 63% of all employment. This significant point is also supported by Southiseng and Walsh (2010) underlining that having an increase of SMEs development leads to contribution of job growth and overall GDP growth of the country. However, approximately 80,000 enterprises in Laos of which more than 97% are SMEs, are less developed than SMEs of other ASEAN members (Bihler, 2014).

Management abilities and process including the role of employees and internal organisational structure are the key drivers to enhance entire performance of SMEs (Horan, O'Dwyer, & Tiernan, 2011). In particular, the owners or managers of SMEs play a vital role in determining and administrating the internal structure of their organisations (Krake, 2005). A case in point in SME management style in Laos, Southiseng and Walsh (2010) find that most of their management styles usually concentrate on short-term objectives as profit-based due to a lack of business skills, financial support and human resources. Gundala and Khawaja (2014) underline that the owners and managers of SMEs have a direct connection with the company brand. They frequently represent personification and identity of the brand and communicate the brand both internally and externally (Krake, 2005). Thus, in order to create and develop a successful brand, owners or managers should have a clear vision and direction. They need to build a strong brand to be able to effectively compete locally and internationally (Lassen, Kunde, & Gioia, 2008). This attempt could enhance business performance and achieve a long-term growth in a market.

When discussing brand management issues in SMEs, it is broadly discussed in large companies and well-known brands, but not much attention is paid to SMEs (Berthon, Ewing, & Napoli, 2008; Krake, 2005). Branding and brand management is even more important for SMEs, particularly in the least-developed country such as Laos. It is believed that if SMEs have dynamics and effective practices of brand management, the expansion of customers and markets, the growth and development of their businesses could increase in speed. Moreover, it is also expected that the results of this study would bring practical and useful guidance for SMEs in Laos to achieve long-term success and sustainable growth in the marketplace.

2. PROBLEM DESCRIPTION

Researching brand management challenges in the context of SMEs is valuable and practical. It is apparent that SMEs would face a number of difficulties associated with brand management (Krake, 2005). Nevertheless, Berthon et al. (2008) contend that although SMEs encounter financial constraints, their managers and marketers can innovatively manage and leverage the full potential of their brands. Then, the common enquiry arises associated with which brand management principles and practices are most amenable to SMEs.

As a result, there is a need for additional research to investigate and determine the dynamics and potential practices emphasizing the development and management of brands in SMEs. In particular, it is imperative to study how SMEs manage their brands and the most effective approach to deal with the difficulties of brand management. It is expected that brand management processes would bring a key strength for SMEs in Laos to enhance values and profitability of the businesses. This also suggests which practices and activities of related government policy makers and private sectors should be considered to cope with problems in creating brand awareness for the SMEs in order to achieve a long-term success and sustainable growth in both regional and international markets. In this regard, a **business problem is identified as:** *“How can SMEs effectively develop practices of brand management in creating brand awareness, particularly in the handicrafts sector in Laos?”*

The aims and objectives of the research project

The main aims of this research project are to investigate how brand management is exercised in SMEs in the handicrafts sector in Laos and to identify obstacles and inhibitors to building a successful brand for the SMEs. In addition, this research aims to find out what the potential brand strategy is that should be applied by the Lao SMEs in practice through the developing of a conceptual model of building and managing the brand for the SMEs.

Based on the aims mentioned above, the following aspects are identified as the main objectives of the research project:

- a) To investigate how the handicraft SMEs create their brand identity locally and internationally.
- b) To examine the understanding of SMEs' entrepreneurs, particularly in the handicrafts sector in Laos of brand management.
- c) To assess how brand management is currently implemented in the handicrafts sector in Laos.
- d) To determine the relevant difficulties encountered by SMEs in the handicraft businesses in Laos when managing and developing the brand.
- e) To explore the practices of brand management which are most amenable to the handicraft SMEs in Laos.

The main research question is: “What practical strategy of brand development should be applied by SMEs in Laos?”

Sub-research questions

In order to achieve the above objectives and definitively answer the main research question, the following sub-questions to be answered are:

- 1) How do SMEs in the handicrafts sector in Laos create their brand identity?

- 2) What are the perspectives of entrepreneurs or managers of the Lao handicraft enterprises for enhancing brand management?
- 3) How is brand management currently implemented in SMEs particularly in the handicrafts businesses in Laos?
- 4) Which difficulties do SMEs in Laos confront when managing and developing their brands?
- 5) What practices of brand management could be employed for the Lao SMEs?

3. LITERATURE REVIEW

The definition of small and medium-sized enterprises (SMEs) varies from nation to nation in terms of the amount of employees and value of sales and assets. A case in point of SMEs in New Zealand, SMEs are a significant part of the New Zealand economy, they account for 97.2 percent of all companies in the country, amounting 455,907 from 469, 118 companies in total (Ministry of Business Innovation and Employment, 2013). New Zealand SMEs are categorized as the enterprises of less than 20 employees. They are generally owned and managed by a proprietor who makes most of the management decisions (The Small Business Advisory Group, 2012). Additionally, in Thailand for instance, the SMEs are defined relating to a number of employees in a variety of industry sectors. The industry sectors include manufacturing, retailing, service and wholesaling.

Regarding SMEs in Laos, according to the Laos Prime Minister's Office (2004), SMEs are classified into two size categories as small and medium enterprises. Small firms are identified as those having an average number of employees not more than 19 people and total assets not exceeding two hundred and fifty million Kip (approximately US\$31,000) or annual income not over four hundred million Kip (approximately US\$49,000). Medium-sized enterprises are those that have an average number of employees not over 99 people and assets in total not exceeding one billion two hundred million Kip (approximately US\$148,000) or an annual revenue not more than one billion Kip (approximately US\$124,000). Southiseng and Walsh (2010) demonstrate that the Laos economy is formed from only 5% percent of large companies, 16% medium-sized enterprises, 58% small enterprises and 21% micro enterprises. SME development plays a crucial role in national economic growth. However, its development goals are not easy to achieve since a number of constraints have been faced. The limitation and difficulties in SMEs include a lack of management skills of SME entrepreneurs, inability to access financial resources, no strategic long-term vision and a shortage of skilled workers (Southiseng & Walsh, 2010).

The important roles of the brand

De Chernatory et al. (2011) demonstrate that brands are one of the most valuable assets of firms. A successful brand represents a name, symbol and design, and some combination of those elements recognizing a company's products as possessing a competitive edge and sustainable growth. Having a successful brand can increase profitability by adding values to the products

and companies that entice and influence consumers to purchase. This enables companies to develop products for new markets (De Chernatory et al., 2011; Ferrell & Harline, 2014). Besides, Grant (2014) illustrate that a brand is a crucial element of reputational assets of a company. Especially, the values and the essential role of having a well-known brand is reflected in the price premium given that customers are not reluctant to buy branded products more than unknown brands (Grant, 2014; Keller, 2008). Kapferer (2012) and Keller (2013) underline that brands clearly offer considerable benefits and values to both consumers and companies.

To consumers, in particular, brands can identify the source or producer of a product and entail special meaning to consumers. Based on the past knowledge and experiences with the product and promotional activities, consumers can make assumptions and realise which brands satisfy their demands and which ones do not (Kapferer, 2012; Keller, 2008). Consequently, brands offer a means of simplification for decision-making of a product (Kotler & Keller, 2012). If consumers can recognise and have some knowledge about a brand, then they do not have to search for a lot of information to make the decision for the buying of a product (Ferrell & Harline, 2014; Kapferer, 2012). Hence, brands enable consumers to lower the exploration costs of products (Keller, 2013). In short, brands can change perceptions and experiences with a product, brands can also take on special, unique and personal meanings to the consumer. Given that lives of individuals or consumers become more rushed, the ability of a brand to minimize risk and simplify decision making is valuable (Kapferer, 2012; Keller, 2008).

Brands also definitely offer considerable advantages and valuable functions to companies or manufacturers. Brands provide a means of identification to simplify product handling and a means of legally protecting unique features or aspects of products (Keller, 2008). A brand can be protected through registered trademarks, copyrights and designs. These intellectual property rights guarantee that the company can safely invest in the brand and obtain benefits of a valuable asset (Kotler & Keller, 2012). In addition, Kapferer (2012) and Keller (2013) indicate that brands provide a product with unique meanings differentiating from other products and with the signal of a quality level to satisfied customers. This brand loyalty offers security and predictability for the company and creates entry barriers to be more difficult for other competitors in entering the market. In summary, to companies, a brand represents an enormously valuable element of legal property and it can be seen as a powerful means to influence customer behaviour, to sustain future revenue and competitive advantage. Furthermore, the price premium paid for several organisations is clearly justified by the opportunity to make profits from their brands and providing a great barrier and difficulty of building similar brands by rivals (Keller, 2008).

According to Kapferer (2012) and Keller (2013), advantages and significant functions of the brand for both consumers and manufacturers can be summarised in the following Table 1:

Table 1: The significant functions of the brand for the consumers and manufacturers

The functions of the brand for the consumers	The functions of the brand for the manufacturers
Identification of product	Means of identification to simplify tracing
Risk reducer	Means of legally protecting unique characteristics
Practicality and search cost reducer	Indication of high quality performance
Promise, bond with manufacturer of product	Permanence, bonding and familiarity relationship
Guarantee and signal of quality	Source of competitive edge
Continuity and satisfaction	Source of revenues and returns

Source: Developed by the authors based on the research and adapted from Keller (2013)

Nevertheless, despite the significant advantages of a successful brand, it is increasingly difficult to develop a brand and create brand awareness for a company (De Chernatory et al., 2011). In today's high competitive environment, there is a wide spread of existing and new products that have brand names but many of them have not been successful due to a lack of effective practices and strategies as well as management teams and structures.

The role of management towards branding

Horan et al. (2011) note that the role of employees and the internal organisational structure should not be underestimated by owners or managers of SMEs because management abilities are the key driver to enhance the entire performance of the company. Kapferer (2012) further adds that the key role of managers is to create and develop the brand and their entire business activities as well. However, branding is frequently underestimated and misunderstood by a number of business managers. The managers do not precisely recognise what and how much goes into the process of branding (Gronlund, 2013). Hence, creating a distinct, compelling and strong brand are becoming more challenging issues for the managers.

In the particular context of SMEs, it is suggested that they should create and develop a framework associated with brand building that represents the identity of the company. In the funnel model of Krake (2005), it underlines that the owners or managers play a vital role in determining and administrating the internal structure of their organisations and this reflects on how much attention they provide to brand management. Particularly, the entrepreneurs or business directors can assign other managers and employees with clear responsibilities or specific tasks. Importantly, they should set explicit objectives and make organisations aware of the significant role of brand management.

Gundala and Khawaja (2014) propose that a proprietor has a direct connection with the brand. In order to create and develop a successful brand,

owners or managers should have a clear vision and direction. The business owners frequently represent personification and identity of the brand and communicate the brand both internally and externally (Krake, 2005). Lassen et al. (2008) note that SME owners or managers need to build a strong brand to be able to effectively compete locally and internationally. It is also required that the owners can create and develop a competitive brand through learning from a set of guidelines and considering brand building as long-term process that needs consistent, continuous communication to succeed.

Brand building in SMEs

With regard to the concept of branding and brand management, SMEs have been overlooked, although small and medium-size enterprises (SMEs) are from a great majority of overall companies. Krake (2005) and Centeno, Hart, and Dinnie (2013) criticize that even though brands have been studied extensively, literatures and articles are mainly focused on the brands of large firms brands rather than on SMEs. The type or size of organisation is one of the key drivers for creating the brand and this possibly has a significant influence on the specific approach on the basis of characteristics and context of the organisation. In particular, large company brands are usually built on formal organisational structures, resource efficiency, performance evaluation, expertise and long-term planning. On the other hand, SME brands are frequently built in different ways, as they are often built on informal structures, creativity, short-term planning and lack of financial resources and experience (Centeno et al., 2013).

In the study of Horan et al. (2011), it reveals the findings that branding in SMEs is influenced by four variables including characteristics of SMEs, the role of customer importance, the management's role and brand equity. Moreover, SME branding is affected by the main factors including budget constraints, procrastination, desire for success and influence of a business manager. According to the study of Centeno et al. (2013), it is contended that branding in SMEs is built in a non-traditional manner and contrary to brand building of big organisations, and that SMEs have limited resources and minimum brand planning. SME owners or managers and employees engage in brand exploratory phases where they do research and trial based on commitment, creativity and willingness to learn.

In spite of the fact that SMEs have key differences in brand building in comparison with larger organisations, some academics suggest that brand building in SMEs may perhaps develop in a similar approach to the context of the large organisations. The ways large companies utilise to build their brands might also work for brand building in SMEs (Abimbola & Vallaster, 2007; Centeno et al., 2013).

Centeno et al. (2013) demonstrate two major stages of brand building as a starting stage and a development stage, and the five key phases of brand building. The starting stage includes four phases in which each one of the brand identity dimensions is created as this stage comprises brand as a person, brand as a product and brand differentiation, brand as a symbol and brand as an organisation. The development stage is composed of one phase

as brand identity development (and brand growth). Interestingly, it is found that the commitment of SME owners or managers has a significant influence on the brand building process as the owners not merely take an essential role within SMEs' management, but also take a lifelong responsibility and develop a lifelong commitment to their organisations (Centeno et al., 2013; Krake, 2005). Several SME brands have close similarities with the brand owners or managers personalities. The personality is fundamental during the brand building process as this would encourage in developing potential brand strategies.

Brand identity creation in SMEs

Generally, brand identity is conceptualised as a brand element that the brand owner or manager aims to develop and is composed of four key elements - brand as a person, brand as an organisation, brand as a symbol and brand as a product (De Chernatony, 2006). Nandan (2005) points out that brand identity and brand image are fundamental for creating a strong brand. Brand identity is the creation of managerial activity, while brand image is the creation through perception of the customer. However, only a few brands can develop core brand identity and succeed to strike the balance of key features of brand identity and brand image. In addition to the crucial role of brand identity, Keller (2013) illustrates that the first stage in building brand equity is to develop a brand identity which is accomplished through a distinctive set of brand associations. According to Viot (2011), brand identity is imperative to better predict acceptance of brand extensions. It is commonly built through brand vision, brand positioning, personality and appearance.

Within SMEs, entrepreneurs or business owners are the visionary people who are the focal points for brand building and brand identity creation. The character of the entrepreneur should be clearly connected with the brand because the entrepreneur is the personification of the brand (Krake, 2005). This notion is also supported by Centeno et al. (2013) who demonstrate that SME brands have close similarities with the personality and personification of the brand owner. Brand owner or managers instil some of their personality manners into their brands. Such personalities are essential during the process of brand building as this could encourage the enterprises to develop an effective brand strategy and brand identity, and then to increase brand values.

The study results of Spence and Essoussi (2010) portray that core values of SME brands comprise specific associations connected with the business founders' beliefs and visions such as innovation and quality. This suggests that the visions and values of the founders are the primary source of brand associations utilised to develop brand identity. Spence and Essoussi (2010) further highlight that in terms of brand identity creation and brand value development in SMEs, the country of origin is an important secondary brand association to be employed. Also, seeing that SMEs have inadequate resources for brand building and brand identity creation, the country of origin or inspiration of the brand can be utilised as the secondary association to develop brand equity and the core brand value of the enterprises.

Brand management and development

Since branding and the business environment are significantly changing, the brand management of an organisation needs to be taken with adequate instruments, processes and frameworks (Fisher & Vallaster, 2010). Keller (2013) highlights that the process of strategic brand management is significantly concerned with the design and implementation of relevant marketing programs to build, measure and manage brand equity.

Table 1: Comparison of brand building and brand management in large organisations and SMEs

Activity	Large organisations	SMEs
Brand identity	Visionary management Systematic procedure based on extensive market research, filling a gap in the market	Visionary individual (The entrepreneur) Intuitive process based on the personality and values
Brand equity	Associations derived from customer research and connected with customer needs and products and features	Associations fabricated from the personality and values of the entrepreneur, customer needs and product features
Brand strategies	A variety and large number of strategies are being utilised locally and internationally, with the aim of maximizing market coverage and overlaps Corporate branding is part of overall brand strategy development	A limited number of strategies are being employed Collaborative strategies and corporate branding not common utilised
Internal organisational structure	Brand tasks spread over many departments and functions	Brand responsibilities held by the entrepreneur and the entrepreneurial team
Marketing programs	A broad range of highly visible and integrated mix programs	The main focus is on the product. A wide diversity of innovative and more or less integrated actions depending on the enterprise Look for low cost ways that would reduce the impact. Internationally, minimum national requirements should be met and local adaptations are left to horizontal partners

Source: Compiled by the researchers based on Spence and Essoussi (2010)

A strong brand becomes a crucial component of the asset value of an organisation (Elliott et al., 2011), however marketers and entrepreneurs still

confront two fundamentally important questions as to what it does to make a strong brand and how does an organisation build a strong brand? So the concept of customer-based brand equity is introduced in an aim to elucidate the process of creating a strong brand (Keller, 2008). The customer-based brand equity concept presents a useful perspective on what brand equity is and how it should be effectively built, measured and managed (Kotler & Keller, 2012). The concept approaches brand equity from the customers' viewpoints. Understanding the needs of customers (individuals or/and organisations) and devising products and business activities to satisfy them are at the heart of successful marketing (Kapferer, 2012; Keller, 2013).

Brand management challenges encountered by SMEs

Keller (2013) illustrates that even though branding is very important to businesses and to customers, brand management is more difficult than building it as commonly it involves complicated marketing activities and practices and poses significant challenges for entrepreneurs. Branding challenges are concerned with savvy customers, brand proliferation, media transformation, increased competition, increased relevant costs and greater accountability (Keller, 2013). Recently, it has been more difficult to persuade customers with traditional ways of communications than it used to be due to the vast number of available sources (Gronlund, 2013; Kapferer, 2012). Customers find it easy to consult and collect relevant information from advanced technology tools and media. Another issue is the proliferation of new products and brands associated with brand extensions as a brand name may be identified with diverse products with different degrees of similarity (Keller, 2013).

The crucial change and challenge in building a brand in a current business environment is about the emergence of interactive digital media and non-traditional media, a variety of promotions and other communication tools (Keller, 2013). The communication budget and media cost are devoted to advertising as entrepreneurs have to spend more on new and non-traditional forms of communication such as digital media, events, in-store advertising and mini-billboards. Furthermore, one reason that entrepreneurs have been forced to use considerable financial incentives is that the current business environment or marketplace has become more intense and competitive (Keller, 2013). Keller (2008) indicates that although companies have embraced globalisation as an effective way to expand the market and generate more income, this has also increased a number of rivals in existing markets. Besides, with regard to brand extensions, several enterprises have taken their existing brands and launched products with the same brand name into new product lines as these brands would become potential rivals in the marketplace and they could also provide formidable opposition to market leaders (Kapferer, 2012; Keller, 2013).

In particular for the case of the SME context, it is recognized that the functions and management style of SMEs are different from large companies, even the practices of SMEs to brand management differ considerably compared with the management in larger companies (Berthon et al., 2008; Centeno et al.,

2013). Commonly, the owner or manager of a SME is the key decision-maker and is responsible for the managing of relevant activities and functions in the enterprise, as mainly financial planning, advertising, recruitment and even purchases of stationery. Berthon et al. (2008) identify that the employment of experts such as recruitment and advertising agencies is less attentive and rare. SMEs are more likely to experience difficulties with resource constraints such as human, budget, technological and managerial resources, as such problems exacerbate the limitation of SMEs' strategic business planning and practices of brand management (Centeno et al., 2013). In short, in terms of brand management in SMEs, lack of resources, ineffective internal processes and less attention on brand management of SMEs are identified as the main challenges for these enterprises.

Lack of resources and effective internal processes

According to Wong and Merrilees (2005), the main obstructions of brand management faced by SMEs are that SMEs have inadequate resources, time and processes to perform branding activities. Similarly, Abimbola and Vallaster (2007) demonstrate that new enterprises and SMEs have specific needs for building a reputation due to their lack of resources and lack of effective internal structure in order to attract customers. These constraints force SME entrepreneurs to concentrate on the short-term business plan in the way they usually do with daily tasks and receive profits in the short term. The short term focus can become a barrier for the firms in developing a long-term business success and branding strategy (Wong & Merrilees, 2005). Wong and Merrilees (2005) further add that a number of SMEs fail or are reluctant to fully invest in most business assets comprising advertisement, training and information technology and they also fail to perceive those investments as costs.

Apart from the aforementioned issues, lack of professional and skills of brand management is also a critical problem for SMEs. Boatwright, Cagan, Kapur, and Saltiel (2009) demonstrate that business managers and marketing officers realise that brands are only valuable when they provide value to their customers, then building a brand to satisfy customer value is a primary goal to accomplish and gain market share. Nevertheless, the obstacle for SMEs is how to create a brand identity that not merely meets the needs of existing and new customers, but also can be consistent with product attributes simultaneously. The SMEs' managers or owners cannot achieve such goals because they lack brand management professionalism and skills to examine practical methods to link between customer demands to their brands and products, and to recognise which customers' needs fit the firms' capabilities (Boatwright et al., 2009).

Krake (2005) points out that business owners or managers are the key human resource for building and managing the brand. They can take a leading role in creating a brand and brand management in an organisation, given that great involvement in brand building is definitely important for the process. Yet, although the owners and managers can play a significant role in building a brand, brand management is still difficult to implement because brand management should be getting involved with other employees not only

managerial level (Krake, 2005; Ojasalo, Nätti, & Olkkonen, 2008). Ojasalo et al. (2008) further argue that most decision-making on branding issues in SMEs is made by just an owner or a few managers, while other workers are not involved. In a similar way, generally, the responsibility for building the brand and brand management is designated at the highest management level, while the low-level employees are not included. Nevertheless, brand management should be inclusive and involve every employee who works in the company (Krake, 2005; Ojasalo et al., 2008).

4. METHODOLOGY

Background to the collection of the empirical data

This research study was conducted based on interpretivism (phenomenology) as a research paradigm. This study used a semi-structured interview as a data collection method of a qualitative research approach. The main reason for employing this research approach is that the researcher considered that the social world of business and management particularly about branding issues are too complex to investigate and measure. By using this research method, it provided the researcher the ability to collect in-depth and quality data. There are a number of handicraft enterprises in Laos, but many of them are family businesses, and not SMEs. In connection with the purposive sampling, the researcher focuses on SMEs in the handicrafts sector in Laos that have experience in both domestic and foreign markets.

As a result, and based on the researcher's knowledge of the target businesses, personal research and also having been a consultant with the Lao Handicraft Association, the researcher selected 10 potential companies as participants. Those companies were anticipated to have some ideas and knowledge of relevant issues as mentioned in the research title and the main research question. This would help the researcher to gain useful and adequate data from the interviews. Not many employees work in handicraft enterprises and it seems only owners or managers have key roles in managing and dealing with all activities of their businesses. Hence, participants (an owner and / or a manager) were from each handicraft enterprise and there were a total of 10 participants that were expected to be selected to conduct semi-structured interviews for this research. Specifically, this approach gave more insight into a particular participant and to help the researcher obtain a profound understanding of specific issues concerned with branding and brand management of SMEs in Laos. A total of 10 participants were interviewed in Laos and are the owners/managers from 10 handicraft enterprises.

Selection processes of the participants

The researcher contacted the targeted handicraft enterprises in Laos via email and telephone for permission to conduct interviews with owners or managers of their companies. Relevant information of this research as information for participants in both English and Lao language was also attached for their prior consideration before data collection was conducted. The information letter asked for an interview with an owner or a manager of each enterprise and if

they agreed to participate in this study they were requested to send the organisational consent form, or a permission letter, to conduct the research to the researcher. The potential participants were informed and required to sign on the participant's consent form when undertaking interviews in Laos. By this means, the adoption of purposive sampling in this research was deemed to be practical and sufficient to study and gain in-depth information on branding and brand management in a unique case of handicraft SMEs in Laos.

Data collection: Semi-structured interviews

With regard to the real practice of interviews, face-to-face interviews were conducted during July 2014 in Vientiane Capital, Laos. Each interview took place at the venue of each participative handicraft company. In order to make the data collection appropriate for this study and according to the method of semi-structured interviews, a list of interview questions was carefully designed and categorised based on each objective of the research before the potential participants were interviewed.

The interviews were carried out in the Lao language and also voice recorded and then transcribed into English by the researchers. The duration of the interviews was approximately 45 minutes to 1 hour. The names of their companies and the participants were anonymous to minimize harm and keep confidential the information they provided.

5. ANALYSIS AND FINDINGS

Background

For this research study, it was decided to use an inductive approach as data analysis. The inductive approach is a means to collect data and then investigate and analyse them to perceive which themes to follow up, focus on and create a conceptual framework (Saunders et al., 2012). Commonly, data analysis is referred to as the process of transforming and revealing raw data into results (Braun & Clarke, 2013). Data analysis enables the meaningful data collected and patterns to be identified (Bradley, 2013). In an attempt to analyse qualitative data and present its meaningful findings, it is suggested that researchers need to decide a particular technique that is appropriate for reducing and restructuring the data in a form (Collis & Hussey, 2009).

Interviews analysis

Since there were a total of 10 participants from 10 handicraft enterprises in Laos involved in this research study, code letters and numbers of H1, H2, H3, H4, H5, H6, H7, H8, H9 and H10 were used to represent the 10 participants or interviewees. The participants' names and the names of their enterprises are anonymous in this research study to avoid personal identification and to ensure that there is no harm to any of the participants and their businesses. In order to answer the research questions, the interview questions were carefully designed from general to specific questions, and also based on the theoretical background and each research objective.

Analysis and Findings to answer research questions and objectives

Thus, in connection with the key concept of the company's core values, this answers the sub-research questions (1), (3) and (5), and accomplishes the research objectives (a), (c) and (e).

The findings showed that the entrepreneurs or owners of the SMEs do not only want to sell their products into a market, but they also have a passion with this kind of business. They have visions to present and promote the Lao culture through the design of handicraft products and the production process. This could be considered as the core value and brand identity of the companies.

Brand knowledge and management

It is imperative to perceive brand knowledge structure of the enterprises because it contributes to the creating and management of brand equity, and consequently could lead to brand benefits or brand loyalty (Keller, 2013). In this regard, the questions asked within this theme were expected to understand how the SMEs' owners or managers perceived about branding and brand management. In essence, this theme enables the study to accomplish the sub-research question (2) and the research objective (b). All interviewees agreed that brand image and branding are fundamental for the business growth and development. Most of the interviewees stated that recently their handicraft enterprises are quite well-known in the domestic market, and some enterprises thought that their businesses are also well recognized in foreign markets. It was found that the term 'quality' and 'unique design' regularly appeared in their answers. With regard to the participants' opinions toward brand management in their companies, many of them were concerned that brand management was only about implementation of advertisement for their products such as advertising through the company brochures and magazines.

Brand distinctiveness

The researchers found that all of the respondents frequently illustrated that the quality, identity and unique design of the products are the main factors that distinguish them from other competitors. Significantly, all of the enterprises emphasize the producing of quality items for customers, and they believe that having good quality of products could promote their reputation and attract more customers, in spite of high product pricing. These are also referred to as their points of difference compared with other brands. Through this theme, it accomplishes the sub-research question (1) and the research objective (a).

Brand elements

The theme completes the sub-research questions (3) and (5), and the research objectives (c) and (e). According to the interviewees' results, many of the companies have logos, but they do not have a slogan. The meaningful terms and the owner's name are generally used as the company's name and

brand logo because these are easy to remember. All of the businesses have never employed a professional organisation for the designing of their brand logo due to budget constraints. Commonly, they designed the brand logo and the company slogan by themselves and they have used it since establishing their businesses.

Management and Marketing activities

It is recognized that an effective managerial team and relevant marketing activities are an important means for undertaking the brand management process (Keller, 2013; Krake, 2005). The findings under this key theme reflect the fact that the SMEs actually apply their existing resources and elements to create and develop their brands. These activities are commonly used to promote their companies, and indicate how much attention they provide to a process of brand management. In this regard, the theme responds to the sub-research questions (3), (4) and (5), and carries out the research objectives (c), (d) and (e).

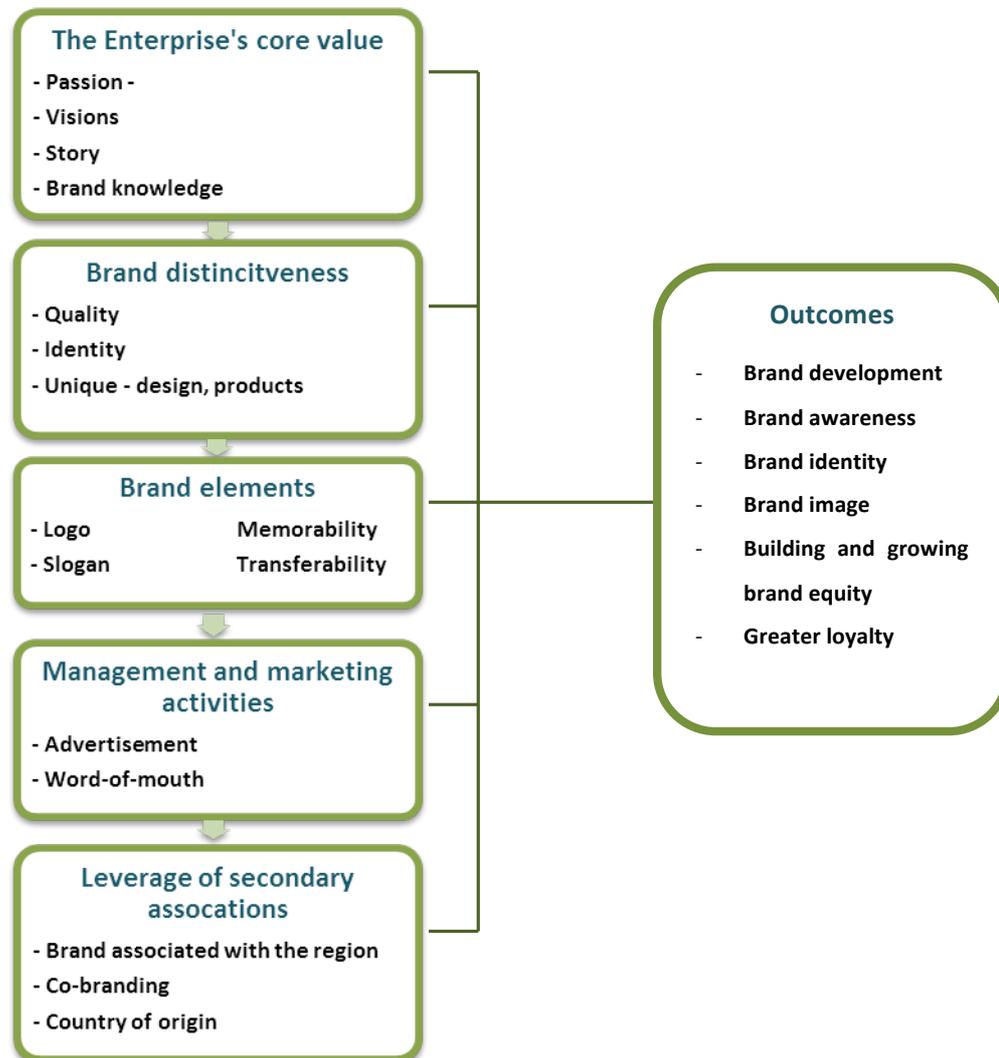
The findings show that almost all of the participants still considered that brand management is mainly related to advertising activities. They pointed out that their businesses are not a big industry and they still manage the businesses in a simple and traditional manner. Furthermore, all of the enterprises do not have any employees who are specifically responsible for brand management activities due to their lack of resources and budget. Also, all of the enterprises have never employed any professional agent to promote their brands.

Brand development – lack of skills and shortage of human resources

This theme is discussed to answer sub-research questions (3) and (5), and accomplish research objectives (c) and (e). The participants expressed some aspects about important elements for brand development including the leading role of the business owners or managers in branding and brand management, and connecting the brand image with the character of the business entrepreneur (Krake, 2005). In accordance with the data results, almost all of the participants agreed that business proprietors or managers should take the lead and pay more attention to branding and brand management. For many of those having websites, the websites have not been updated due to a limitation their technological skills, management skills, lack of budget and shortage human resources particularly IT staff.

In line with the discussion of the key themes above, one of the significant contributions of this study is that the results identify practical ways the SMEs create their brand management, brand identity and brand image to the market as illustrated in Figure 1 below.

Figure 1: A model of the creation of brand identity and brand image of the SMEs in Laos



Source: Developed by the author and adapted from Keller (2013)

Importance of the findings - Managerial implications

This project study may assist business owners and managers in creating, managing and developing the SME brand through the study results especially by considering the branding guidelines for the SMEs. Taken together, the study results suggest that the entrepreneurs or business owners play a crucial role in the SMEs and exert significant influence on the internal structure and culture of their enterprises. They demonstrate different skills that are fundamental in the creation and development of the brand. Nevertheless, a majority of the SME entrepreneurs or owners still pay less attention to brand development and brand management in their daily tasks and business

activities. They underestimate and do not clearly understand the significant role of brand management.

Recommendations

1. Business owners, entrepreneurs or managers should take the lead in brand management and locate relevant brand management tasks in their business activities
2. SMEs often face limited budgets and human resources therefore creativity is indispensable to the enterprises for communication and branding tasks.
3. What makes a product unique is its history and the story of how a product came into being. Given that this kind of product is fundamentally related to culture and tradition, the entrepreneurs can create and promote a storyline for a product.
4. With regard to applications of branding strategies, entrepreneurs or business owners should investigate branding practices and strategies available and assess which ones would be most suitable for their enterprises and target markets
5. The role of branding and brand management is fundamental when attempting to penetrate a target market; those who are involved in SME development and promotion need to take more action and put more effort in to assist SMEs with financial support and capacity building.

6. CONCLUSION AND LIMITATIONS

This research project was aimed at investigating how brand management is implemented in SMEs in the handicraft sector in Laos and to identify obstacles and inhibitors to building a successful brand for the SMEs. The study also sets out to find out the potential brand strategy that could be applied by the SMEs in practice. The intention was to identify the challenging issues faced by the SMEs when creating and developing their brands, and to assist them to deal with the issues. Semi-structured interviews in a qualitative research approach was chosen and designed to obtain the empirical data which was collected and analysed from 10 participants, representing 10 handicraft enterprises in Laos. In order to achieve the research's aims and objectives, this study addressed the research questions and objectives. The limitations are that this research was limited to the study of branding and brand management issues including skills and human resources and specialised in SMEs in the handicrafts sector in Laos.

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