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Low Cost Branding Techniques for Entrepreneurs: A Conceptual Outlook

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Abstract

A report of The National Association of Software and Services Companies (NASSCOM) has highlighted that India will have around 10,000 start-ups by 2020. This is a huge figure in terms of number of entrepreneurs but also poses a challenge to the young innovators to flourish in today's cut throat competition and grow not only in India but expand in foreign lands too. They will require recognition and identity for their growth along with trust. Branding can be a big boon to these start-ups as they will grow gradually from unknown entities to trusted bigger organizations. There are various techniques which a start-up can adopt for starting its branding and promotion to be known in the market and to its stakeholders. Few strategies which can be adopted are co-sponsoring an event with relevant partners, trying out reaching to targeted audience and offering a sample of their products or services so that they can have an idea of it and give their feedback on social media. Likewise, the branding strategies should be of low cost such that they can be adopted as dearth of finance is evident in such organizations. Also the medium of promotion should be permeating to maximum levels such that maximum prospective customers can be targeted.

***Keywords**: Branding, Entrepreneurship, Social Media, Marketing*

***JEL Classification:** D23; M30; M37; L26*

Introduction

"India has emerged as the third largest start-up base and such ventures are poised to grow 2.2 times to reach 10,500 by 2020 despite a perception that the ecosystem in the country has slowed down in the last year. India is in the third position just behind US and UK, and nearly 1,400 new startups are expected by end of 2016, up by 8-10% from last year"(Indian Startup Ecosystem Maturing - 2016 report by NASSCOM-ZINNOV).

A brand is a name, phrase, symbol, shape or a combination of all which presents the goods of a manufacturer or sellers, and is used to distinguish it from others' goods (Kotler and Armstrong, 2008). Branding strategy initiates how the firm chooses to use branding as

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an integral part of its overall marketing strategy. In a sense, branding is simply another dimension of marketing strategy. To the consumer, a brand name is a means of identification of the product as well as means of differentiation of the branded product from its rivals.

The brand name is the centre around which the entire marketing mix is built up. The brand name can incorporate all marketing efforts together either in consumers' mind or in the marketing program. Branding simplifies control of the commercial process. It gives necessary advertising and promotional support in order to make the product recognizable and to create consumer patronage. Brand formation should be emphasized for the entrepreneurs to achieve competitive advantage which elaborates the long term impact that an innovative entrepreneurial brand can make. Entrepreneurs implement brand value to assure their innovations in the market and mitigate the competitor's threats. Brand value which is presented in the market by the enterprises brings the subject brands great profitability along with them and strengthens their position in the market. Brand is one of the basic marketing instruments to create this differentiation.

In terms of vertical growth, investors are looking at domains like health-tech, fin-tech, and edu-tech. With a total funding of approximately $4 billion, close to 650 startups were funded signifying a healthy growth of the ecosystem. The number of tech startups in India is expected to grow by 10-12% to over 4,750 by the end of 2016. With this impetus, India will become home to over 10,500 startups by 2020, employing over 2,10,000 people and ushering in a new era of revolution (Indian Startup Ecosystem Maturing - 2016 report by NASSCOM-ZINNOV).

Objectives of the study

1. To know latest techniques of mass communication.
2. To suggest low cost branding techniques for entrepreneurs.

Research methodology

The paper is descriptive, explorative and theoretical in nature. In the present study, various research articles, news articles, business journals and various reports have been reviewed.

Review of literature

Mukolwe and Korir (2016) initiated a study to explore the benefits of using social media for women online entrepreneurs, to find out the challenges of using social media faced by women online entrepreneurs and examine the social media strategy that can be implemented by women online entrepreneurs. The study was made in Kenya. The researcher concluded that the policy makers of the country must provide favorable internet rates and must encourage e-business policies which would ultimately favors the growth of SME industry.

Gundala (2014) undertook a study to know how brand is managed across SMEs in UAE, what is the owner-managers attitude towards brand building and what are the barriers for building a strong brand. The research found that a large number of small and medium enterprises do not practice branding strategies and most of the respondents believe that incorporating branding strategies are insignificant for success of the SMEs.

Szabo, et.al. (2011) researched on the role of knowledge in entrepreneurial marketing. The objectives of the study was to explain how two sources of knowledge i.e. know-how and know-who influence the use of innovative techniques and their impact on competitive advantages. It was found in the study that while conventional markets use the traditional market research to adapt to the environment, entrepreneurial marketers rather build on experience, immersion, and intuition for making their decisions.

Leighton and Bird (2012) carried out a study to know the impact of reduced branding on consumers choice, when branding on packaging is reduced how does the influence decision making, the impact of increased non-branded information on consumer choice. The study found that reducing the branded elements displayed on packaging has a detrimental effect on consumers' ability to find and choose the brands they are looking for.

Need for branding in entrepreneurship

The challenges are many in case of managing a new venture. It's not an easy ride for the startups as they have to manage the finances and marketing simultaneously. The present scenario of the Indian startups is that they are very good in technology but lack in the user interface/user experience area. New companies have to pay thousands a month in team salaries, office-leasing fees, raw materials and other ongoing operational costs, all while struggling to secure enough revenue to stay afloat. They are caught in this dire financial balancing act and as a result most entrepreneurs end up abandoning investments they come to view as superfluous, such as marketing and advertising. The cruel irony is that neglecting marketing altogether stifles a business's growth, leaving it less revenue to collect and forcing it into an even more restrictive budget. With roughly an estimated 80 percent of entrepreneurs having no idea of how to measure a marketing strategy's effectiveness, it's no wonder why marketing is so quick to get the ax.

The major area where they lack and struggle the most is getting customers, holding on to the customers, analyzing the customer behavior.

Thus, branding to some extent and marketing the products and services can help the entrepreneurs to mitigate the issue of customer identification and attracting the prospective customers. The strategies should be of low cost and easy to adopt. Many well known companies, like Apple and Flipkart were unknown since their inception days. But the vision and planning of the entrepreneurs was the burning oil which kept the flame burning.

Entrepreneurs need to attract investors, good partners and suppliers, employees and optimum number of customers initially early on. In doing such promotional activities each time the portrayal of the product through words or action helped in creating a brand. Gradually they attracted investors on the basis of the robustness of their business model and their products or services. Simultaneously, a brand is formed in accordance with their growth. Their employees were the internal customers and were equally responsible for the positive word of mouth to spread the goodwill of the company.

Low Cost techniques

Effective marketing doesn't have to cost a lot of money. Higher-budget marketing strategies might bring more visibility and consistency in their eventual returns but there are plenty of highly effective and low-cost marketing strategies which can help the startup to grow. Few of them are discussed here:

1. ***Referrals****:* One of the best ways to market is to avoid marketing altogether; instead, create a system that lets customers do the marketing. It is a fact that people are four times more likely to buy a product when it's referred to them by a friend. Despite tech publication reviews, we still trust personal recommendations more than anything else. Establishing a referral program doesn't cost much, and depending on how you structure it, might be entirely free. Offering your current customers a discount on their subscriptions in exchange for referring a new customer, or offer a cash reward. Getting word to your customers in this manner might help.

2. ***Content Marketing****:* Content marketing takes many forms, but none require significant investment. The simplest approach is to manage an on-site blog, adding new content a few times a week that informs or entertains your readers in some unique and practical way. Info graphics, videos and podcasts all belong to the content-marketing category as well. All these content mediums have the power to improve the brand reputation, increase inbound traffic and complement multiple other strategies.

3. ***Search Engine optimization****:* Some of the businesses involve spending time writing articles for the content-marketing campaign, entrepreneurs might as well invest in improving your search engine optimization (SEO). Making structural changes might be required, writing consistently high-quality content and attracting back links to the domain. It's a lot of work, but if it is done by one then only cost will be time which is worth it, because the long-term benefits are enormous. Pay-per-click ads can get expensive if you're targeting high-traffic head keywords, but there are niches and platforms that are friendly even to the most budget-conscious startup entrepreneur.

4. ***Social media marketing****:* Social media marketing isn't something you can do casually, but it is freely available, and it's something you can master if investment is made on time. Entrepreneurs can start by establishing profiles for the business on major platforms like Facebook, Twitter and Instagram. The profiles can be flashed out on these platforms and start syndicating content that your target market would like. An attempt can be made to reach out to the individuals, and make sure to stay connected. In very less time the business can grow an audience of thousands, representing an anchor stream of traffic to the site.

5. ***Forums and groups****:* An entrepreneur should not underestimate the power of gathering on public forums and social media groups. Question that can be answered with the expertise of the entrepreneur and this makes his presence felt or catching the venue of a local event can help to use to promote the business. The more

involved an entrepreneur is with his/her respective communities, including the local neighborhood as well as the broader industry, the more chances to gain. Best of all, it usually doesn't cost anything to become a member of these communities, so he/she can reap the benefits with nothing more than a few hours of time.

6. ***Impression**:* Startups often scrimp on marketing elements, and it is much better to do less and spend more to make a good first impression. Also, many companies put the cart before the horse and focus on tactics before strategy. Understanding the value proposition and ensuring everything does connect back to that core. Also, it should be ensured that the tactics are high-value and look professional.
7. ***Care of existing customers and appropriate feedback**:* The least expensive way to get the word out about your brand is by focusing on the existing customer's experience. It is an irony that many companies don't put customers first. When customers feel well-taken care of, they tell others about your company. Customer testimonials and referrals that are genuine get more attention than anything else.
8. ***Conducting a quick and low cost pilot survey**:* It's critical to create a marketing plan before moving on to tactics. And the first step in developing a marketing plan is to understand who the target customers are and what they want from your company. A good way to gain a better understanding of your customers is to conduct a survey about your products or services. If it is tough to afford to hire a research company, it can be done on own by creating a short questionnaire and recruiting existing and prospective customers to participate.
9. ***Creating Media stories**:* A media story about the company is generally much more valuable than an advertisement because of the credibility it confers on the business. But getting journalists is not an easy task but something new and compelling or grueling can attract them. Innovative product, unusual customers or any other gimmick can help to attract the media as their role is very crucial.
10. ***Physical marketing**:* The office premises, the surroundings, the vehicle associated if any, area nearby can be the places where the billboards or banners. They should aim what is being sold not about the company. The space in and around should be used for presenting the product or services such that the people around can see and get an idea of it.

Stages in creation of entrepreneurial brand

The process of creating entrepreneurial brand requires specific attention. In this aspect, it is possible to handle the related process in 5 stages (Crane, 2010):

1. All possible branding choices consider the customers, competitors and all entrepreneurs. By this way, choosing the most appropriate brand should be the best idea which puts forth the strengths, meets the customer needs and creates competition opportunity.

2. While linking the brand with benefits the customers seek in goods and services gradually making a brand positioning in a way to touch the hearts and minds of the customers on the other side.

3. Constituting the name and identification of the brand within the framework of the strengths of the enterprise which are believed to be valued by the customer or within the framework of the strengths of the goods and services and while doing this, preferably regarding the suggestions and feedback of the customers.

4. Conniving a brand communication strategy which shall transmit a continuous and stable message on the brand.

Conclusion

It is mostly the case that starting a business is usually the result of a personal dream or need. Investors tell that they invest in people, more than the idea. Customers buy from people, not from a company, at least at the startup stages. That's why, it is important to build a personal brand, in parallel and before your business brand. This will kick-start the business, and improves odds of success. Entrepreneurship and branding are closer to be science as it can be applied. Being a brand entrepreneur requires learning and is an ever-changing art without easy formulas.

An entrepreneur these days can't afford to hide behind an impersonal website or hole up in the corner office. Social media such as Facebook, Twitter, and blogs, connect your customers to one another, and you, twenty-four hours a day, seven days a week. If this is not taken in charge of by the entrepreneur, someone else will grab the opportunity and they are not likely to brand you in the way you want to be branded. Every business wants to be a customer's first choice. Building and managing a brand can play a significant part in making that happen. The concept of a brand extends far beyond just the company's logo or business' core values and to every interaction the organization has with customers and suppliers. In effect, brand creates and maintains the reputation and so reflects customers' experience of the organization. Customers and employees can build up emotional attachments to certain brands, allowing for strong loyalties and even a sense of ownership. This can help maintain employee motivation and increase sales but it can also cause problems if these stakeholders are not consulted as your business grows.

An entrepreneurs brand is what it is really selling to customers, not just a product or service for which there may already be many existing providers. A strong brand can make any business stand out from the crowd, particularly in competitive markets. Thus these low cost techniques can help the entrepreneurs to grow gradually and lay their imprint in the marketplace.

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