

Media & advertising

Brand awareness key to success

This year's MMVB awards to held on Oct 18

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People don't buy products, people buy brands, declared Jennifer Chan, organising chairman of the Malaysia's Most Valuable Brands (MMVB) awards.

"It is the brand story which commands a higher price," she told *The Edge Financial Daily* in an interview.

To highlight her point, she compares two persons — one who uses an ordinary ball-point pen and one who prefers a Mont Blanc pen. While both pens work well, yet there was something that made the latter pay thousands of ringgit for his pen instead of a few ringgit.

"It goes back to something fundamental. Why that person chose a Mont Blanc is linked to how he values the brand and the affinity he feels towards the brand," she said.

However, not all companies are focused on building a brand for their products and services as it takes an ample amount of time and money.

"But once instilled in the culture of a company, the whole approach of doing business changes," said Aaron Cowie, MMVB committee member and coun-



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cil member of the Association of Accredited Advertising Agents Malaysia (4As).

Now in its fourth edition, the MMVB awards aim to raise companies' awareness on the importance of establishing a brand early and the added value it could contribute to their earnings, said Chan.

The awards aim to recognise not only successful brands but the people behind them or what Cowie calls "the soft side of things". In other words, the efforts of those not captured in numbers and statistics.

"It's not all about the sales but rather what the brand can do for

you," he said, adding that if a new company were to just have sales promotions which are generally short term in nature, consumers would not feel much affinity to the brand and thus would be unlikely to stay loyal.

Established in 2007, the MMVB awards are held once every two years and awards public listed companies based on their financial and brand valuations. The fourth installation of the awards will be held on Oct 18.

As with previous years, 4As is collaborating with Interbrand, one of the world's leading brand consultancies which specialise in brand analytics, brand engage-

ment and financial performance to undertake the valuation of the companies.

While a substantial portion of the scorecard is dedicated to the financial analysis on a company, the brands' strengths as measured through their authenticity, advertising investments, relevance, consistency, clarity, responsiveness and presence as well as commitment in the marketplace are all evaluated.

This year, 4As took a step further by evaluating these traits together with companies' financial information to come up with a forecast of how these companies' brands could perform in the future.

"In a nutshell, we want to put a dollar figure on not only the financial aspects but on how strong the brand is," Chan said.

Last Friday, 4As organised a breakfast forum with the top 100 company CEOs, chief marketing officers and chief financial officers from both public and private listed companies in Malaysia.

The highlight of the forum was a panel discussion on how branding can help enhance the financial value of a company.

The panel included YTL Corp Bhd CEO Tan Sri Francis Yeoh, Celcom Axiata Bhd CEO Datuk Shazalli Ramly, Maxis Communications Bhd CEO Sandip Dass, Media Prima Bhd TV networks chief operating officer Ahmad Izham Omar and Global Brand Forum founding chairman Karthik Siva.

Privacy risk from ads in apps rising — security firm

SOME advertising networks have been secretly collecting app users' personal details over the past year and now have access to millions of smartphones globally, US-based mobile security firm Lookout said.

These unregulated practices are on the rise, Lookout said on Monday as it unveiled the first industry guidelines on how application developers and advertisers could avoid raising consumer angst.

"Aggressive ad networks are much more prevalent than malicious applications. It is the most prevalent mobile privacy issue that exists," Kevin Mahaffey, Lookout's technology chief and co-founder, told *Reuters* in an interview.

Over 80 million apps have been downloaded which carry a form of invasive ads — used by 5% of all free apps on Google's Android platform — which can take data from phones or install software without users' knowledge.

Some more aggressive networks collect users' email addresses or phone numbers without permission, while others install icons to home screens, track users whereabouts or push ads to notification bar.

Mobile devices have so far had limited appeal for writers of viruses and other malicious software, or malware, due to numerous small platforms and limited financial gains. But during the first quarter, the amount of malware on the popular Android platform jumped to 7,000 from 600, according to Intel's security software arm McAfee.

Lookout declined to name the most aggressive ad networks, hoping some of them would align practices to match the new guidelines which include publishing details on their privacy policy and allowing consumers to avoid data collection.

"These guidelines make it clear some practices are out-of-bounds. That's good news for both consumers and responsible businesses," said Jules Polonetsky, co-chair of Future of Privacy Forum, a Washington-based think-tank focusing on responsible data handling practices.

"Many apps are ad-supported, there is nothing wrong with it, but users should know what is their trade-off. People want to have confidence and trust that they're not being compromised while on devices that have access to their most personal information," he said.

Advertising networks work as intermediaries, linking large numbers of advertisers with media publishers.

They have seen a boost especially from a rise of Google's Android platform, where many of the applications, like Angry Birds, are distributed free and funded through changing advertisements.

Ad companies are closely watching the sector as mobile advertising presents an opportunity for new revenue streams. Advertisers are attracted to the sheer size of the audience.

"If you look at the six billion eyeballs — there is a potential for a gold rush," said David Gosen, a director at market research firm Nielsen.

But with consumers increasingly conscious of privacy issues, some said aggressive practices could backfire on the US\$8 billion (RM25.44 billion) industry. — *Reuters*

Follow your nose to growing a business

by **Pauline Chiou**



WHEN you walk into a store, you may not realise that there's literally something in the air that's already trying to convince you to buy something.

The invisible force is something called scent marketing, a concept used in Europe and the US but is still fairly new to Asia. The idea is to infuse a certain smell in a retail shop that makes a customer linger and more inclined to make a purchase.

Oriental Watch Co is a large luxury watch retailer which has stores across Asia. The store hired a Hong Kong-based scent strategy company, Skywork Design Ltd, to create a store scent that captured the essence of the company. The lab created a special green tea smell for the store. Daniel Fong, creator of Skywork Design Ltd, felt that green tea mirrors the Chinese identity of Oriental Watch Co.

"When you see a watch, it's easy to forget it. But when you smell something, it's forever," Fong says. "The smell goes directly to the emotional part of our brain."

For the past four months, Oriental Watch has used the green tea scent in all 12 of its Hong Kong stores. Salesman Ken To can't say definitively if the scent has led to a direct increase in sales but he is certain the scent relaxes customers. "We see customers are willing to stay longer at our store, especially in the area close to the machine [scent diffuser]. We can have more conversations with them and hopefully, we can make a sale," says To. "Our staff like it too. We have a stressful job because we're



A bubble gum scent circulates in Hong Kong-based teen clothing store 2% through a diffuser in the shop.

dealing with US\$1,000 to US\$1 million [RM3,180 to RM3.18 million] watches. So the scent helps lower the tension for the frontline staff."

After 20 years in the advertising business, Fong started Skywork Design last year to fill a niche he noticed was lacking in Hong Kong and China. He used his existing network of advertising clients and word of mouth to kick off his business. Today, his biggest clients are teen fashion store 2%, Oriental Watch Co, Peninsula Arcade and Hang Lung Properties. Fong says his young company became profitable four months after launching.

There are companies that create scents for hotels and casinos. Fong says their goal is to create a pleasant experience for guests. His company has a different target and approach. "My strategy is not to

focus on hotels because there are a lot of competitors focusing on hotels and property management. Our strategy is targeting the marketing people, to increase the sales and the branding of a company... mainly in retail stores."

2% is a Hong Kong-based teen clothing store. When you walk into the store, you will immediately breathe in a bubble-gum scent — which Fong describes as "juicy, girlish, sweet" — that circulates through a diffuser in the shop. He recently lingered outside a 2% store to watch customers. He saw a teenage girl near the store entrance and overheard her saying, "Oh, that smell is 2%." He took that comment as a successful sign in brand building. The clothing chain first hired him to work on two stores, sales increased and he now supplies

the scent to all 35 stores in Hong Kong. Negotiations with 2% are underway to supply 100 of their stores in mainland China.

Samsung recently put on several road shows to promote its new Galaxy S3 smartphone. Samsung says this new Android phone is "inspired by nature — it sees, listens, responds."

Its marketing agent asked Fong to create a special fragrance for several four-day road shows in Asia, a fragrance that embodied the image of nature.

"We were inspired by the new functions (of the phone) that related to natural behaviour," Fong said. For example, the phone uses its frontal camera to follow the user's facial movements and the phone only goes into sleep mode when it knows the user is not looking at it. Because of contractual confidentiality, he couldn't tell me what fragrances he used for the Samsung scent but he did open the bespoke bottle and let me take a whiff. To me, it smelled like a cologne with a little metallic twist — not so much "nature," but more "metal, gadget, male."

As Fong's creations are making cash for his young company, an international bank has asked Fong to create the "scent of money" for its offices in Hong Kong. He's playing with the idea of blending the bergamot, moss-like scent of chypre flowers with metal. "But I'm still thinking about that one," he says.

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