

# GOING GLOBAL: BRANDING STRATEGIES IN THE MALAYSIAN BEAUTY INDUSTRY

Shakila Yacob & Rosilawati Zainol<sup>1</sup>

## Abstract

Over the past decade notions of beauty have been undergoing significant transformation in Malaysia. Through interviews with managers and owners in three emerging beauty companies as well as a consumer survey, this study reveals three important factors inherent in a new approach in the ongoing commercialization of beauty: that indigenous knowledge of herbs as crucial ingredients is held and diffused by women; that women are the founders, managers and users of the products; and that these companies are family-owned and outsource technical or scientific expertise to add credibility and increase commercial viability. Religion - Islam in the case of Malaysia - can also be a potent factor in brand building among beauty entrepreneurs in developing economies. This study asserts that by utilizing indigenous knowledge and appealing to cultural and religious identity, new companies can be successful even when competing in a crowded market dominated by foreign multinationals.

**Keywords:** Beauty, Brand Building, Indigenous Knowledge, Religion, Halal, Gender, Developing Economies

## Malaysia - A Notion of Beauty: Brown is Not Beautiful?

The notion of beauty amongst indigenous Malays (or many other Asians for that matter) has, even in pre-colonial times, been equated with having fair or light skin. Within the cultural attitudes of the other ethnic Malaysian communities too, such as Chinese and Indian Malaysians, fair skin is also idolised and equated with notions of beauty. Whilst some Malays may relate the idea of being fair-skinned to status, others attribute it to the desire to imitate the Western stereotype of beauty. Yet, in actuality, Malay traditional customs have always associated beauty with fair as well as smooth skin. Strong emphasis on personal healthcare and cleanliness are also an important and integral part of the customs of the Malay community. Thus, Malay cultural heritage has enriched and added value to Malaysian beauty products and simultaneously shaped the branding of indigenous knowledge of herbs. As good health is also closely associated with a notion of beauty, products have also been tailored to fulfil the specific health needs of users and particularly for Malay women who constitute the bulk of consumers of these products (Government of Malaysia 1999).

By exploiting their local indigenous knowledge of herbs - knowledge which almost solely lies with women - most beauty companies in Malaysia produce products for both internal and external use, promoting notions of beauty from within as well as without. On one hand, there is an acceptance by Malay women that certain physical attributes of the archetypal Western maiden such as blonde hair and blue eyes are unattainable;

on the other, there is an impulse by local beauty companies to approximate the Western ideal by projecting it onto local notions or conceptions of beauty. In other words, there is an integration or, better, assimilation of a Western construction of beauty into the indigenous culture, or at least in the contemporary expression of that culture, so that the former becomes an intrinsic part of the latter. This takes place both at the conscious and sub-conscious level. Hence, it could be said that it is extremely difficult to shake off the appeal and awe of a Western-centric attitude towards beauty without perhaps a paradigm shift.

Clearly, within the cultural construction of any notion of beauty there are many permutations which those responsible for marketing beauty products have to be sensitive to. Underpinning the marketability of beauty products for Malays is the Islamic concept of *halal*, of being clean and pure (HDC 2009). In this, for Malays, Malaysian beauty products enjoy an edge because they are guaranteed to be *halal*, to have fulfilled certain criteria that the foreign competition products may not. For example, products that are *halal* do not contain animal or human by-products and the permitted level of alcohol is strictly regulated by the relevant government agencies according to Islamic law. This religious aspect offers a different choice to the dominant global brands in the Malaysian beauty market. Moreover, by using religious beliefs, indigenous knowledge-based beauty products are able to reach out to the global Muslim market. Thus, legitimacy or credibility of indigenous knowledge can also be said to be underpinned by Islamic principles.

Hence, indigenous knowledge has not been displaced by foreign influences, but only introduced greater variation in the choice of ideals and products. Indeed, Western notions of beauty have helped create and sustain competition in the local market. For example, in Malaysia, local beauty products based on indigenous knowledge may be hard-pressed to compete for a greater share of an already overcrowded market at the initial stage, but the rapid diffusion of their products through publicity, marketing and distribution networks ensures that demand is built-up and augmented. This is because indigenous knowledge is a catalyst for Malaysian beauty companies to gain an added advantage over their Western competitors, and as such has enabled the opening up of a niche where they are able to create value. These companies are able to effectively differentiate their products from the Western competition.

Many beauty companies both in Malaysia and throughout the world, have adapted or been specifically set up to ride on the 'green and natural' wave, trying to tap the significant demand of the market. In Malaysia, such companies can be categorised thus: those beauty companies that only claim to have used indigenous knowledge in their products, thereby committing the 'greenwashing' sin; and those beauty companies that have genuinely used indigenous knowledge and indigenous herbal products.

In the context of Malaysia, indigenous knowledge refers to knowledge which has emerged locally and passed on from generation to generation. Indigenous knowledge is mainly derived from two sources: from privileged arenas such as palaces and other institutions, and from the less privileged sources such as midwives and traditional cultural practices. Such knowledge is now being commercialised by local beauty companies. This trend has enabled indigenous knowledge to be revived, preserved and re-introduced. Thus, the art of indigenous knowledge is not lost forever to posterity or remain hidden to the uninitiated. Hence, commercialisation has meant the diffusion of

indigenous knowledge beyond the traditional confines, in fact such knowledge is now reaching a global audience.

The Malaysian government has been a leading proponent of indigenous knowledge and through various agencies has supported endeavours to promote its use. Although the focus of the government may be primarily to encourage the use of local herbs to increase health consciousness among the population, as health and beauty are inextricably linked in the Malay community this has also benefited local beauty companies. Indigenous knowledge by its very nature is unique or peculiar to a particular location and or culture-specific. In Malaysia alone, the government is playing active role in restoring indigenous knowledge to its rightful place as a source of pride and wealth. Amongst government agencies that have actively promoting the use of indigenous knowledge and herbal-based beauty and personal care products are Forest Research Institute Malaysia (FRIM) and Federal Agricultural Marketing Authority. The Malaysian government initiatives include the National Biodiversity Policy and Third National Agricultural Policy. Malaysia aims to be a major global producer of herbal products by 2010 and a world centre in conservation, research and utilisation of tropical diversity by 2020. Indeed, both past and more recent ethno-botanical studies suggest that at least 20 percent of the estimated 12,000 total higher plants in Malaysia's diverse flora possess medicinal or therapeutic properties. Malaysia's comparative advantages in the herbal industry include the diversity of genetic resources, excellent tropical climate, R & D interest (with governmental support), and increasing demand for specialty natural products derived from indigenous knowledge. In addition, Malaysia is ranked twelfth as the 'mega-diversified nation of the world' and fourth in Asia after India, China and Indonesia in terms of biodiversity (Ng 2007).

According to the *Global Cosmetic Industry* business magazine, the global market for natural and organic beauty products will be worth more than USD10 billion by 2010, where a large percentage of growth will be in the US and Europe (Davis 2008). Indigenous beauty products, a blend of the traditional and the modern, are popular not only in the Malay world but also in other parts of Asia. Indian brands such as Himalaya and Shahnaz Herbal have also been in high demand internationally. Shahnaz Herbal, for example, has successfully penetrated the UK, Korean, and Japanese markets. The company has expanded into Malaysia, which serves as a hub to the Southeast Asian markets (Chatterjee 2007). Exports of cosmetics and toiletries from India rose from USD1.3 million in 1963-1964 to USD25.7 million in 1979-1980 and to USD336 million in 2004-2005. In terms of quality, price and range, the Indian cosmetics industry has the capacity to match international standards. Similarly, the Thai, Philippines and Indonesian beauty industries have also been successful in capitalising on indigenous knowledge to produce herbal beauty products for local and overseas consumption (Hemtasilpa 2004; Theparat & Arunmas 2002). As with the trend in Malaysia, the comparative advantage of these beauty companies in relation to those companies from the more developed countries in the West or Japan, lie in their use of herbs indigenous to the region. As such, indigenous beauty practices have extended to other niche areas and overlap with health concerns such as post-natal care.

Underpinning the marketability of beauty products for Malays is the Islamic concept of *halal*, of being clean and pure. In this, for Malays, Malaysian beauty products enjoy an edge because they are guaranteed to be *halal*, to have fulfilled certain criteria that the foreign competition products may not. For example, products that are *halal* do

not contain animal or human by-products and the permitted level of alcohol is strictly regulated by the relevant government agencies according to Islamic law. This religious aspect offers a different choice to the dominant global brands in the Malaysian beauty market. Moreover, by using religious beliefs, indigenous knowledge-based beauty products are able to reach out to the global Muslim market. One competitive advantage for Malay beauty products over Western and Japanese competition is their branding as being *halal*. By gaining official *halal* certification they are adding value and are able to gain access to a wider global Muslim market. Without the *halal* certification such markets are otherwise inaccessible (Sathish 2009).

Scholarly studies on the beauty industry are relatively few and are mostly conducted by business historians. Geoffrey Jones has examined the globalisation of the beauty industry between 1945 and 1980 and, interestingly, his findings show that although Western influence was strong, globalisation had not entrenched the stereotype of the Caucasian blonde and blue-eyed female beauty ideal as the 'universal' standard as might have been expected. Thus, local notions of beauty are still very much present, and can represent a source of pride and prestige which shows resistance to the dominant construction of beauty (Jones 2008). Kathy Peiss, in *Hope in a Jar* (1998), examines not only the history but also the reasons for the growth of the cosmetics in the US (Peiss 1998; Wahl 2006). Beauty and gender issues are explored in *Beauty and Business: Commerce, Gender and Culture in Modern America* (2000) edited by Philip Scranton, and Gwen Kay's *Dying to be Beautiful: The Fight for Safe Cosmetics* (2005) (Kay 2005; Scranton 2000). Nancy Koehn's *Brand New* (2001) includes a chapter on the origins of Estee Lauder and its place in the cosmetic industry. Although the lack of primary resources somewhat undermines her conclusions, Koehn does show how this very successful multinational focused on demand-side management and thus succeeded in building up several brands (Koehn 2001). This approach contrasts with the macro view provided by the Jones study. Jones has further explored the green wave hitting beauty companies and is soon to publish on the beauty industry around the world (Jones 2008). For the relatively few examples of academic work on the beauty industry found in the West, such work in the region, in particular Malaysia is even more scarce. The close link between beauty and health in the Malay community has, however, led to the publication of some research in the areas of public health, science and medicine and in particular on the medicinal properties of the local herbs (Ahmad 2005; J.D. Gimlette 1971; J.D. Gimlette & Thomson 1939; Haliza 2006; Piah 2005; Winstedt 1981) Numerous non-academic articles on the beauty industry in Malaysia can be found in daily and weekly newspapers, and magazines such as *Mingguan Wanita*, *Jelita*, *Anggun* and *Rapi*.

The significance of this study is its contribution to the academic literature on the rapidly growing beauty sector in developing countries and the role of small and medium-sized enterprises (SMEs) in spreading fashionable local notions of beauty. It examines the use of indigenous knowledge and religion (Islam) in brand building among beauty entrepreneurs in developing countries. In addition, the Islamic concepts of *halal* (clean and pure) and their impact on the marketability of beauty products in Malaysia is explored. The study highlights the roles of three home-grown beauty companies: NR, Sendayu Tinggi and Natasya. NR gives an example of 'strategic positioning' against Indonesian competition in carving out a niche market in the same product category while analysis of Sendayu Tinggi shows a meteoric rise of a company through its herbal-based products for health, beauty and lifestyle. Natasya, like many other emerging

beauty companies, is an example of a new-comer in an already overcrowded cosmetic market. The findings of the three case studies consider three broad categories: origins and organisational structure, branding, products and health services as well as pricing and marketing.

The paper begins with the origins and organisational structure of the companies, followed by an examination of their branding strategies as well as product and health services of the companies. In part three pricing and marketing strategies are focussed on with particular reference to the overall development of local beauty companies in Malaysia. Finally, the paper discusses the relationship between indigenous knowledge, beauty products and social development.

### Malaysian Beauty Companies - Origins and Organisational Structure

The management practices of most home-grown beauty companies in Malaysia portray typical family firm characteristics (Church & Roy 1993). They are usually owned and managed by their founders, generally women and their family members, and often evolve into medium-sized ventures. These family firms often comprise of a parent company with several subsidiaries (both manufacturing and plantation), sharing the same evolution of a home-based business leveraged on 'word of mouth evangelism' to shop-front business with a bio-network (Simon, Francoise, & Kotler 2003) of stockists, distributors and branches spread throughout the country and even across borders. These companies begin producing beauty products for local consumption, but often later diversify into health food products, emerging more as lifestyle companies.

One such 'personal enterprise' (Chandler & Alfred 1990) in Malaysia with its brand name Nona Roguy (NR), recently adopted a new logo and used its initials, NR, to rebrand itself. The founder, Datin Hajjah Sharifah Anisah, who markets the products claims to be a Malay aristocrat as well as sharing beauty secrets from the palaces dating as far back as the 13th century. In fact, the product formula is said to be more than 800 years old and originating from Hadramaut, Yemen. NR's initial foray into the local cosmetic scene was via home-based, word of mouth sales in the 1980s (Sharifah Anisah 2008). This is the period when the domestic beauty market was flooded with Indonesian brands such as Mustika Ratu, Sari Ayu, Nyonya Meneer and Martha Tilaar. NR managed to rival the Indonesian competitors by staking its owner's claim to the shared heritage of beauty secrets from the *kraton* or palace, as well as the internal cleansing properties of the products and in contrast to, for example, the emphasis placed on outer beauty inherent in competing Indonesian products.

It is likely that many NR customers - generally Malay women - were also attracted to Sharifah Anisah's visage on the product labels that graced the paper packets of *jamu* or traditional herbal remedies and the bottles of herbal-based lotions and creams in 1993. Perhaps significantly, these replaced the portraits of the quintessential *Ibu* or mother from Seberang across the Straits of Melaka. NR paved the way for other Malay female entrepreneurs in the local beauty industry with the foundation of its parent firm, Mustajab Industries Sdn. Bhd (MISB) which expanded vertically into plantation, manufacturing, product development, management and marketing. Unlike its competitors, the company has also been bold enough to launch four different spa packages aimed at children between the ages of 7 and 15 years, including facial treatments, pedicures and manicures while waiting for their mothers to finish their own

beauty treatments (Meran 2008). Priced between MYR 25 to MYR 60, this 'affordable luxury' reflects the *masstige* approach (a term originally coined by Michael Silverstein and Neil Fiske) adopted by this lifestyle company to capture a young and growing beauty-conscious market (Silverstein, J. & Fiske 2003).

The founder of the second brand, Rozita Ibrahim, could be said to come from a less privileged background compared with the founder of NR, and claims to share 'tips and formula' on beauty and health products gained from a mid-wife's experience. Rozita, who founded Sendayu Tinggi in 2002 and is the owner and managing director of the company, is thus easy to identify with for the less privileged women in the local community. She started a fledgling enterprise from home, selling her products from door-to-door, with a capital of a mere MYR400 (USD111) and later moved to a single-unit shop lot. The company has now expanded and diversified into a group, with a parent and nine subsidiary companies ranging from body and skincare, cosmetics and fragrances to food industries. Clearly, Sendayu Tinggi's range of services now reflects those of a lifestyle company.

The third brand name in the case study, Natasya, was founded by Datin Hajjah Munirah Kassim who, it could be said, had her fair share of challenges in business ventures and marketing her herbal-based cosmetic brand. Natasya was registered under its parent company, Perwanza Enterprise (M) Sdn Bhd, a family firm established in 2002. Natasya's management style is relatively conventional, with the CEO controlling most decision making and with a clear chain of command. The top management holds meetings with state managers (stockists) in the peninsula once a month and twice a year for those from Sabah and Sarawak (Muniro 2007).

All three beauty companies were founded by women who remained active in the management of the companies and recruitment internally, so that family members held most of the key positions. These owner-entrepreneurs have strong personalities, were passionate in their business endeavours and determined in their pursuit of success (Reisman 2004; Schumpeter 1934). Their entrepreneurial spirit led their companies to evolve from the Avon or Amway style of door-to-door sales into lifestyle companies, although NR and Sendayu Tinggi did so more rapidly and more fully than Natasya.

## **Branding**

Malaysia presents an interesting case whereby a developing country's fledgling beauty companies expand and attempt to become globally competitive in the herb-based product sector. Culturally-specific branding has emerged as a strategy that these companies can use to compete against imports, as well as to break into world markets. Branding is thus seen as a crucial factor in distinguishing local products from external competitors, and cultural specificity leverages on the products' uniqueness and their specialised quality. That is, traditional indigenous knowledge is capitalised on and is purveyed by producers as a kind of 'secret formula', giving the products competitive advantage and helping to carve out a niche market (Lim 2009). Such customer touch points include the *halal* product status, and these, along with the practice of customer segmentation with a focus on Malays as consumers, has allowed these companies to effectively challenge their foreign competitors (Hogan, Almquist & Glynn 2005).

Unlike the international competition, most home-grown beauty companies in Malaysia place emphasis on internal cleansing as part of the overall beauty process. As

such, a number of beauty products are made up of local herbs for ingestion. For Malays, post-natal care has always been an important element of the concept of overall beauty, both internal and external. In this specific area the customer touch point of indigenous knowledge is fully utilised by local beauty companies as is the case with the three case studies. If in the 1970s and early 1980s Indonesian products by companies such as Sari Ayu and Mustika Ratu dominated the Malaysian market, now local Malay companies are fast gaining a substantial market share in this area of post-natal care. NR in its attempt to record the Malay heritage and practices on the use of bio-resources for beauty and health care purposes published an encyclopaedia of Malay wifery (Barakhbah 2006). Indeed, among the most popular products from NR's portfolio, for example, are those specifically related to post-natal care. NR also branched into the fledging Malaysian spa industry when it opened health centres that offer traditional health and beauty treatments, and there are also strategic alliances with traditional health spas and traditional post-natal care centres with local partners such as the YTL Group as well as international partners. Similarly, Sendayu Tinggi also has a range of female post-natal care products, inspired by founder Rozita Ibrahim's ability to spot an opportunity when she capitalised on the recipe that a midwife gave her during her own pregnancy. However, Sendayu Tinggi has developed a much larger portfolio of products (more than 200) specifically aimed at post-natal care than either Natasya or NR.

Only certain government agencies, such as the Department of Islamic Development Malaysia (JAKIM) and the Halal Industry Development Corporation (HDC), are permitted to grant official *halal* certification with products, largely food and beverages although industry sectors include personal care and cosmetics, having to go through a rigorous process before they are endorsed (HDC 2009). However, despite a number of companies choosing not to undergo this official process, there is an assumption among beauty entrepreneurs in Malaysia, as well as their customers, that their beauty products are *halal*, simply because of the selection of natural products that they use, and that the 'cleanliness' and 'purity' of their products are therefore guaranteed.

As noted above, NR has effectively made use of history and tradition, and particularly that associated with the Nusantara's health and beauty legacy to establish its brand image. The Nusantara is an area covering the Malay archipelago and its rich history and culture have often been claimed by competing Indonesian beauty products such as Mustika Ratu, Sari Ayu and Martha Tilaar, which had been dominating the Malay beauty market in Malaysia since the early 1970s. NR's new slogan, 'because only nature is NR's choice', underscores its core values of indigenous herbal knowledge, and like many modern beauty companies recently, also tries to suggest 'green' credentials. Its corporate colours are green and yellow and its logo is a royal symbol from ancient kingdoms in the Nusantara area reinforcing notions of cultural heritage, traditional health practices and beauty secrets inherited from the past.

The Sendayu Tinggi brand strapline is 'reaping the goodness of Mother Nature'. The company elected to use red and yellow for the company's logo of a framed wild flower signifying nature and the use of wild herbs. However, different shades of greens are also employed to help define the brand and suggest a connection with nature. Like most companies of homegrown beauty products, a lone woman, Rozita, is the key brand ambassador. However, her eldest daughter, who is in her twenties and wears salon-styled hair, is increasingly used as the 'face' of Sendayu Tinggi, suggesting that while the products may originally have been more conservative and aimed at mothers,

they are now also appealing to a younger, more fashion conscious generation. Natasya brand's slogan is 'To restore your appeal and beauty', its logo is the *mehrab* or private prayer sanctuary, and its corporate colour is green, symbolising Islamic values, nature and freshness.

Many Malaysian beauty companies may have governmental support in terms of research and development and financial aid but have yet to leverage on managerial and marketing capabilities. NR and Sendayu Tinggi represent the homegrown family owned beauty firms which have capitalised on the use of indigenous knowledge. The former has marketed itself as being from a more privileged background and the latter tries to appeal to a less privileged market. Natasya, by contrast, and despite using local herbs in its products, does not explicitly make use of indigenous knowledge as a marketing ploy. Although all three companies cannot carry the *halal* logo on their products because they have not been officially certified, their brand and marketing strategy does include the Islamic concept of being clean and pure and also portray their brand ambassadors in Islamic dress code (see Figures 3 and 4 of Sendayu Tinggi and Natasya models respectively). Natasya, meanwhile has also incorporated these core values of Islam into its brand logo (see Figure 5). All three companies created brand images that were in tune with the national and religious identity of its users.

## Marketing and Pricing Strategies

A random survey was conducted in the Klang Valley, Malaysia with 111 Malaysian users (approximately 90 percent Malay users) of beauty products within the age range of 15-50 years. It was revealed that the twin factors of 'cleanliness/purity' and 'pricing' factored heavily in purchasing decisions (see Figures 1 and 2). The results of a survey in another study confirmed the view that affordability accounts for the consumer's choice of local beauty products in addition to the beneficial properties (Haliza 2006). Brand names and the attraction of advertisements apparently held little sway when making purchasing decisions. Both were ranked below the use of local herbs in the beauty products and the effect or purpose of the use, such as skin whitening. Those surveyed were more concerned with affordability (ranked highest) and whether the product was *halal* (free from certain animal or human by-products) and linked the latter to the use of local herbs as such herb-based products in Malaysia do generally attain to *halal* standard.

Although this survey was by no means extensive enough to claim to be fully representative, the findings do suggest a correspondence with the marketing and pricing strategies of beauty producers. The three companies included in the case studies provide products and services which are non-essential and therefore can be termed as premium or luxury products, but at attainable pricing or *masstige*. Instead of an emphasis on mass media advertising, the companies use a single-level marketing system (a direct selling method whereby, for a nominal fee, a member registers to be able to sell the products) and retain a belief in the power of word of mouth sales as was employed when they first started. Stockists are still hired for the domestic markets and master distributors for the international market, with both creating their own bionetworks to offer their products and services. It is argued that establishing and managing a global brand has been made more challenging by the cultural, political, and economic differences that exist among global consumers, yet these three Malaysian companies have successfully penetrated other regional and international markets due largely to religious preferences



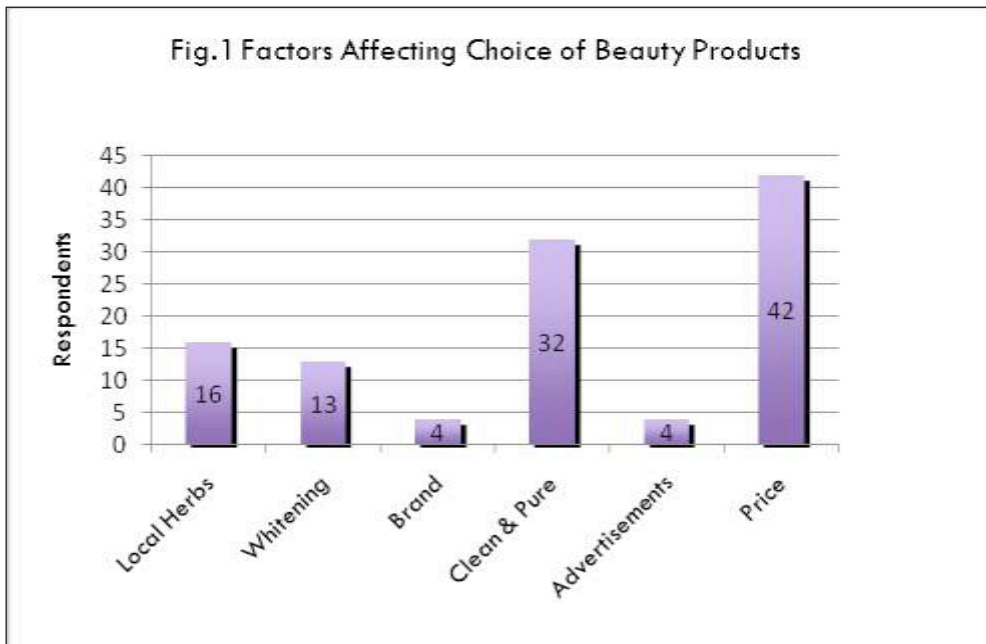


Figure 1. Factors affecting choice of beauty products

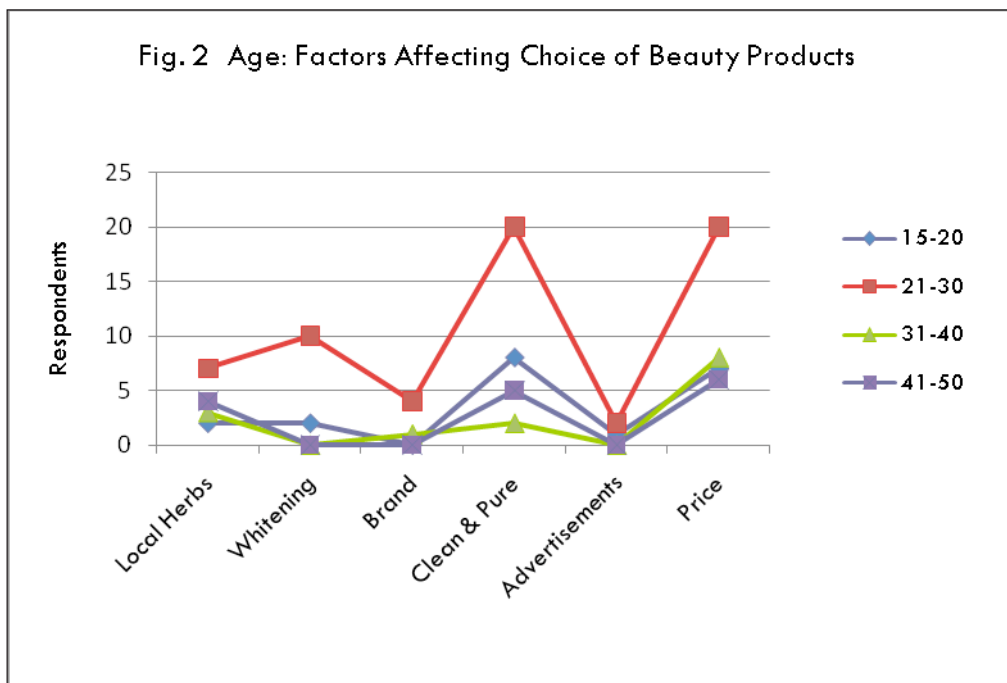


Figure 2. Factors affecting choice of beauty products by age

and products marketed with the *halal* label (Gregory, R. & Wiechman 2002). And the success in the cosmetics or beauty industry depends on business strategy and brand images that are in tune with modernity and national identity, with the latter being closely related to brand identity (Puig 2003).



Figure 3. In-house model, Rozita Ibrahim, the CEO and founder of Sendayu Tinggi



Figure 4. Natasya's model with a Muslim garb



Figure 5. Islamic symbol and color for Natasya's brand logo

The fact that these products are *halal*, however, does not mean that they are appropriate exclusively for the Muslim community. Non-Muslim consumers may also show preference for these products, perceiving their ingredients to fulfil certain health-specific criteria that products not explicitly *halal* make no claim to.

To maximise sales and increase brand presence, NR has used direct marketing via stockist and distributor networks, personal selling via health centres and training sessions, sales promotions and other events. Instead of lining the shelves of pharmacies and selling over the counter, NR has banked on a bionetwork of direct marketing and thereby saving on additional distribution costs. In Malaysia, the company has 430 stockists serving more than 100,000 members, while in other regional and international markets such as Singapore, Brunei and the Middle East, NR appoints master distributors, who in turn have their own networks for distributing products and services. Workshops on the art and science of traditional healing are also conducted to provide a holistic view of the traditional Nusantara mode of healing. NR claims that since 1993 thousands of its members and health enthusiasts have been trained in the art of herbal healing and treatment using local herbs and spices.

Within five years of its appearance on the domestic scene, Sendayu Tinggi has managed to penetrate the regional market via countries such as Singapore, Brunei and Myanmar, as well as the United Arab Emirates and Australia. Sendayu Tinggi now has more than 200 registered stockists with 15 branches nationwide and in every state, including Sabah and Sarawak. Its flagship store in downtown Kuala Lumpur has the makings of a hallmark of class and sophistication, not unlike Elizabeth Arden's Red Door signature salons found in the major cities in the US.

Although Sendayu Tinggi's brand image is that of traditional herbal-based treatments, its approach to marketing is contemporary and innovative. To create brand awareness, recognition and recall, the company harnesses integrated marketing communication tools such as direct marketing, personal selling, advertising, and publicity. Apart from its website, the company also advertises weekly in local Malay dailies and weekly women's magazines such as *Mingguan Wanita*, *Jelita* and *Rapi*. In addition, the company buys commercial spots on local television stations and sponsors women programmes such as *Anggun Ayu* on a free-to-air channel.

Natasya has often claimed that it is the largest beauty producer in Malaysia in terms of sales volume, although this is difficult to verify as many of these new companies fail to declare their profits to the Registrar of Companies, preferring to pay a fine rather than disclose their sales figures as claimed by Jasny Othman (Brandinc 2007). Natasya's products are said to sell like *goreng pisang panas* or hot banana fritters. In contrast to either NR or Sendayu Tinggi, Natasya now has its own media planner who prepares the media schedule, budget and buying of media space and airtime. The company's advertising expenditure for 2007, for example, was approximately RM2 million for both contractual and ad-hoc media buying. In terms of media mix, the selection is wide ranging from print to below-the-line advertisements. Natasya's radio advertisements have been heard on various radio stations and its TV commercials appeared on a public channel. There is a less direct visual presence outdoors in the more traditional advertising spaces perhaps, although there is a billboard in Sungei Petani and a number of signages around the Klang Valley urban market centre. The brand also reaches out to commuters via transit advertisements that wrap around the light rail trains plying the Kuala Lumpur routes.

Natasya has established good media relations that have earned free media publicity via write-ups in Malay publications such as *Utusan Malaysia* and *Harian Metro*. In addition, Natasya has a customer loyalty program, whereby the company offers refunds on returned bottles to stimulate repeat purchase. It also holds regular workshops for stockists, distributors and customers. Like most other Malaysian beauty brands, Natasya relies on in-house spokespeople, from the founder to her daughter, daughter-in-law, sister-in-law and niece. Natasya also adopts a masstige approach to pricing, as well as price lining, charging different prices for different product ranges.

## Conclusion

### *Indigenous knowledge, beauty products and social development*

Indigenous knowledge is not only part of national heritage and pride, but also a source of empowerment and a tool for social development (Agrawal & Arun 2002). In many parts of the developing world, such as in the continents of Africa and Asia, indigenous knowledge has lifted many out of poverty by providing a steady source of income (Woytek, Shroff-Mehta, & Mohan 2004). Indigenous knowledge also constitutes a power of resistance to dominant stereotypes from the West, and the birth of 'easy to identify with' brands. In addition, the incorporation of religious symbolism is something that has not been exploited by global brands. Trans-national segmentation based on religious symbolism and not so much on nationality is clearly a meaningful trend. The holistic approach and the concept of internal beauty are pre-colonial, but can give meaning for

which post-industrial consumers are looking for, suggesting potential for international distribution to challenge established brands. Perhaps most importantly, indigenous knowledge empowers women and enhances their social position by providing a strong source of income and social identity as crucial conservers of culture.

The emergence of local brands tapping into indigenous knowledge and employing modern management and marketing techniques to sell and distribute beauty products is a trend that will continue to grow in developing countries including Malaysia. Thus, indigenous knowledge is a potent factor in contributing to profit margin and market penetration, as has been proven in the cases of the NR, Sendayu Tinggi and Natasya. The 'multiplier effect' ought not to be overlooked for as the demand in the market grows, production capacity and marketing and distribution networking entails further employment opportunities: the supply chain adjusts to the rise in demand. Hence, local beauty companies, despite being small, are pivotal in boosting economic growth and play a crucial role in stabilising the nation's reliance on an export-growth model. As such, the contribution of the companies producing beauty products cannot be underestimated both in the local market and in their presence in international markets.

Based on the analysis of the three local beauty product companies in this paper, it can be argued that innovative managerial systems may not be such a crucial factor in determining short-term success for such companies to tap into the competitive and overcrowded Malaysian beauty market. These companies were quick to capitalise on the lack of existence of local producers using indigenous natural herbs in the beauty market and research findings suggest that their success depended on having a highly efficient management system which made use of indigenous herbal knowledge held by women. Indeed, as has been stated, it was women who were the founders, managers and users of the beauty products.

Natasya, Sendayu Tinggi and NR all practiced what is termed as 'cultural and emotional branding' (Gobe, Marc, & Zyman 2001; Holt 2004), a virtually unique global approach which adds value to Malaysia's national branding strategy. All three companies used similar pricing strategies targeting the growing middle class population. Although NR beauty and healthcare products were marketed as deriving from more privileged indigenous sources, they were not targeted at the upper Malay class. Natasya, Sendayu Tinggi and NR held on to the traditional and cultural practices including religion of personal healthcare and in turn, promoted such practices via their health centres which now have a large clientele from all segments of the Malaysian society.

Indigenous knowledge and culturally specific branding can be a potent weapon to meet the challenges emerging in the global herbal sector. Malaysia, through its homegrown beauty companies, is well-poised to position itself as the leading producer of beauty products both locally and in a number of principally Muslim countries.

## Note

- <sup>1</sup> Shakila Yacob is an associate professor at the Department of History, Faculty of Arts and Social Sciences, University of Malaya. Rosilawati Zainol is a senior lecturer the Department of Urban & Regional Planning, Faculty of Build Environment, University of Malaya.

## References

- \_\_\_\_\_, 2000. New Kedah plant set to boost Nona Roguy herbal exports. *Chemical Business*, 22 November.
- \_\_\_\_\_, 2003. Rozita - Dari herba ke kilang tekstil. *Utusan Malaysia*, 2 May.
- \_\_\_\_\_, 2006. Sendayu Tinggi seeks to increase sales with new branch. *Bernamea News*, 3 August.
- Agrawal, & Arun, 2002. Indigenous knowledge and the politics of classification. UNESCO.
- Ahmad, A. S., 2005. *Warisan perubatan Melayu*. Kuala Lumpur: Dewan Bahasa Dan Pustaka.
- Barakbah, A., 2006. *Ensiklopedia perbidanan Melayu*. Kuala Lumpur: Asianisa.
- Brandinc, 2007. Natasya: all in the family. [online] Available at: <http://brandinc.blogspot.com/2007/12/natasya-all-in-family.html> (Access 20 June 2008)
- Chandler, & Alfred, D. J., 1990. *Scale and Scope: the Dynamics of Industrial Capitalism*. Cambridge: The Belknap Press.
- Chatterjee, P., 2007. Marketing: Shahnaz Herbal branches out to Dubai, Malaysia. *Business Line*, 2 August.
- Church, & Roy, 1993. The family firm in industrial capitalism: international perspectives on hypotheses and history. *Business History*, 35 (4).
- Davis, J., 2008. The face of change: social media's impact on beauty branding. *Global Cosmetic Industry*, 176.9 (64).
- Gimlette, J. D., 1971. *Malay Poisons and Charm Cures*. Singapore: Oxford Press.
- Gimlette, J. D., & Thomson, H. W., 1939. *A Dictionary of Malayan Medicine*. London: Oxford Press University.
- Gobe, Marc, & Zyman, S., 2001. *Emotional branding: the new paradigm for connecting brands to people* (Vol. Allwoth Press). New York: New York.
- Government of Malaysia, 1999. *Guideline for control of cosmetic products in Malaysia, National Pharmaceutical Control Bureau Malaysia, Third National Agriculture Policy (1998-2010)*.
- Gregory, R., J., & Wiechman, J. G., 2002. *Branding across borders : A guide to global brand marketing*. London: MacGraw-Hill Profesional.
- Haliza, M. R., 2006. *Balancing Health and Beauty Needs: Women's Use of Traditional and Herbal Medicines in Evolving Times*. Paper presented at the Balancing Health and Beauty Needs: Women's Use of Traditional and Herbal Medicines in Evolving Times, UPM/Forestry Department of Malaysia.
- HDC, H. I. D. C., 2009. Official website halal industry development corporation. [online] Available at: <http://www.hdcglobal.com> (Access 8 June 2009).
- Hemtasilpa, S., 2004. More laboratories Needed to Tap Thailand Herbs Potential. *Knight Ridder Tribune Business News*, 19 May.
- Hogan, S., Almquist, E., & Glynn, S. E., 2005. Brand-building: finding the touchpoints that count. *Journal of Business Strategy*, 26(2).
- Holt, D. B., 2004. *How brands become icons: the principles of cultural branding*. Cambridge: Harvard Business School Press.
- Jones, G., 2008. Blonde and blue-eyed? Globalising beauty, c.1945-c.1980. *Economic History Review*, 61(1 (Spring)).

- Kay, G., 2005. *Dying to be beautiful: the fight for safe cosmetics (women, gender and health)*. Columbus, Ohio: The Ohio State University.
- Koehn, N., 2001. *Brand New: How Entrepreneurs Earned Consumers' Trust From Wedgwood to Dell*. Boston: Harvard Business School Press.
- Lim, L., 2009. *Ingredients for Success*, 11 July.
- Meran, A. B., 2008. Rawatan Spa untuk Kanak-Kanak. *Utusan Malaysia*, 19 June.
- Muniro, K., 2007. Natasya. In C. P. E. M. S. Bhd (Ed.).
- Ng, L., 2007. Herbal Connection. *Malaysian Business*, 16 March.
- Peiss, K., 1998. *Hope in a jar: the making of America's beauty culture*. New York: Metropolitan Books.
- Piah, H. M., 2005. *Kitab Tib: Ilmu Perubatan Melayu*. Kuala Lumpur: Perpustakaan Negara Malaysia.
- Puig, N., 2003. The search for identity: Spanish perfume in the international market. *Business History*, 45.3 (Autumn).
- Reisman, D., 2004. *Schumpeter's market: enterprise and evolution*. Cheltenham, UK: Edward Elgar.
- Sathish, V., 2009. Crackdown on cosmetics using banned substances. *Emirates* 24/7, 29 June.
- Schumpeter, J. A., 1934. *Theory of economic development*. Cambridge: Harvard University Press.
- Scranton, P., 2000. *Beauty and Business: Commerce, Gender, and Culture in Modern America*. New York: Routledge.
- Sharifah Anisah, D., 2008. Nona Roguy Product.
- Silverstein, J. M., & Fiske, N., 2003. *Trading Up: The New American Luxury: Portfolio*.
- Simon, Françoise, & Kotler, P., 2003. *Building global biobrand: Taking Biotechnology to Market*. New York: Simon & Schuster.
- Theparat, C., & Arunmas, P., 2002. Thai Herbal-Cosmetic Firm Eyes Exports. *Knight Ridder Tribune Business News*, 1 June.
- Wahl, E. D., 2006. Women and Cosmetics: The History of American Beauty Culture. *Narratives of Technology* (Spring).
- Winstedt, R. O., 1981. *The Malays: a cultural history*. Singapore: Graham Brash (Pte) Ltd.
- Woytek, R., Shroff-Mehta, P., & Mohan, P. C., 2004. *Indigenous Knowledge: Local Pathways to Global Development'*, *Marking Five Years of the World Bank Indigenous Knowledge for Development Program*.