

THE ROLE OF BRANDING IN SMALL BUSINESS GROWTH

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Abstract This article examines how effective branding contributes to the growth of small businesses and its importance in a growing competitive market these days. In addition, there are examples of small businesses that in a short period of time were able to attract the attention of the audience, increase their brand awareness, gain trust, strengthen customer loyalty and distinguish themselves from competitors, clearly emphasizing the advantages of the product/service they offer. This study highlights the role of branding in ensuring the sustainable growth of small businesses, using tools such as storytelling to strengthen emotional bonds with customers and increase sales, as well as social media platforms for communication, promotion and transmission of the company's values and goals to the target audience. This approach to branding allows small businesses with limited financial resources to create a strong brand with high user recognition. Unfortunately, in most cases, branding is often mistakenly understood only as creating a beautiful logo with a suitable color palette, but branding, in addition to visual design, includes many other key elements too. Therefore, the article also demonstrates the main components of branding, in addition, it reveals what obstacles a small business may face in the branding process, as well as recommendations on how to overcome them.

Keywords branding for small business, brand identity, local brand success, customer loyalty

Introduction

Branding plays a key role in the success of any business and is important for both large enterprises and new small companies. Emma K Macdonald and Byron M Sharp (2000), found that 59% of consumers make a choice in favor of brands they are familiar with at the time of purchase, even if the alternatives are cheaper. This shows that branding is crucial for sales growth and contributes to customer

retention. Nowadays, the ever-increasing competition in the market creates a need for branding, since it allows companies to stand out from competitors and attract the new customers. However, many mistakenly assume that branding only includes the creation of a beautiful logo and fashionable credit cards, but branding, in addition to the visual image, is also about building a unique identity of the company. Since at the beginning of the journey, most small businesses face constraints in budget and promotion, they are especially responsible for creating a recognizable and memorable brand image to increase sales. Small businesses with strong, recognizable branding are 20% more likely to report growth in revenue year over year (American Marketing Association, 2018). Attracting and retaining new customers is very essential for the success of a small business, that is, creating strong brand loyalty based on trust. Jeff Bezos once said that your brand is what other people say about you when you're not in the room. Therefore, it is very crucial what people say about the company, its products or services, because it builds trust, which promotes loyalty. This article, in addition to researching the concept of branding and its role in the growth of small businesses, will also present the problems that startups might face when trying to create a unique brand identity. The purpose of this article is to determine how branding affects the growth of small businesses, what difficulties may arise, as well as how companies could prevent the occurrence of these issues and successfully create a clear, sustainable and influential brand identity.

Literature Review

Branding is a strategic approach that includes, in addition to creating a beautiful visual image, also forming in people's minds a clear idea of the company and its products/services, showing their uniqueness and value. Branding includes the following aspects: • branding allows companies to identify and emphasize their unique sides, which will allow them to stand out from competitors and attract new users; • it helps to create an emotional connection with customers to maintain their loyalty; • it allows clearly represent the company's missions and values; • build long-term relationships with customers by creating a good reputation based on trust; • additionally, as branding includes constant analysis of the market and its needs, it helps companies stay relevant by quickly adapting to changing consumer preferences; • thanks to branding, businesses can influence people's perception of the value of their goods and thus increase their revenue, etc (Andrivet, 2018). As noted in the study, effective branding is considered a powerful tool, especially for small businesses, which helps to attract new customers and gain their trust, which in turn will lead to sustainable growth of the company. Branding helps small

companies to create a positive and attractive image in the eyes of consumers to increase their loyalty. Small businesses need to consider several key steps in the brand creation process. The first is the importance of market research to clearly identify the needs and preferences of the target audience. By understanding what values and qualities potential customers care about, companies will be able to develop a brand that reflects the feelings of the audience. As it was revealed in a study organized by Gallup, it is the emotional connection with the brand that in most cases pushes users to buy and spend more money on its products. And it was also discovered in CyberLeninka that about 80% of people are more likely to buy goods/services from companies whose values are close to them. This further proves the importance of clearly presenting the company's values to customers. The second is the development of a unique visual identity. To attract the attention of customers in business, the visual component of branding plays a key role, which includes the correct selection of colors that will affect people's perception, for example, the international company Starbucks uses mainly green, which causes people to feel calm, harmony and is also associated with nature. A study was published in the Harvard Business Review journal, which shows that about 80% of people are more likely to remember visual information, compared with text, which makes up only the remaining 20%. Also, the logo, which is considered the face of the brand and influences the formation of the company's image in the minds of customers. The third step is to develop a unique selling point that will help attract the attention of customers, as well as stand out from competitors. Which consists of analyzing the strengths and weaknesses of competitors, as well as identifying the values of the target audience, for a better understanding of what should be emphasized most, for greater efficiency to get the best results, and the last is the correct wording, which should be short, understandable and memorable. And the fourth step is to develop a strategy for effective communication. At this stage the company decides how and on which platforms they will communicate with their target audience in order to broadcast a message demonstrating the brand's values. To do this, it is necessary to first understand which target audience the company is targeting in order to identify suitable and relevant channels for promotion, then, through analysis, determine the most effective channels/methods for further changes and future investments (Cloud, 2019).



Figure 1. Wien Croissanterie

The Wien Cafe in Uzbekistan is a prime example of a small business that, since May 2024, has been able to gain popularity among the population in just a couple of months due to successful branding. The company has been actively maintaining its Instagram account since July. High-quality content, attractive and memorable offers, high quality food/service, unusual cafe interior, word of mouth, constant advertising via social networks, and much more contributed to increasing brand awareness in a short time. At the very beginning, Wien was able to differentiate itself from other cafes with its unusual croissants, which are distinguished by their unique bright appearance and taste. As the Wien is considered the first croissant in Uzbekistan, with help of branding, the company was able to spread this simple message that people can try the most unusual croissants in the city only in their cafe. In addition, Wien reported that every Friday they will distribute mini bouquets to all women who visit their store on this day of the week, so every Friday for several months the cafe was visited by the most people. Currently, they express their support to women in need, as well as those who have been victims of violence, Wien has started selling an orange croissant in the form of a bow, which is not just a dessert, but a symbol of the fight against violence. They will send 20% of each purchase to a fund called "Ona" to support women. Thus, the company was able to achieve recognition especially among women. Recently, the opening of the second Wien branch took place, to invite famous people to the event, the company sent unusual boxes with invitations, where there were goods corresponding to the brand, sweets, toys in mini packaging. This attracted the attention of the audience and at the very opening they organized master classes in ceramics, cooking light sweets, invited popular artists to perform and much more. In addition, they cooperate with the famous brand of delicate jewelry, when buying jewelry from the Wien collection, customers will be able to receive two crispy croissants from Wien

as a gift, and when buying a special croissant “Bananacro” they will be able to get a certificate and use it to buy jewelry with a 15% discount in the online store Ciello.uz. During the construction of the first branch, the company even preserved a perennial tree and adapted its design project for it, which is currently growing inside the cafe. It represents the Wien’s interest of being eco-friendly and support the nature.

Research Methodology

To study the role of branding in the growth of small businesses, the secondary data analysis method was used in this article. Due to the availability and breadth of information, it was easy to collect data on branding strategies and small business development, and the data was selected based on their reliability and relevance. This research includes reports from professional experts, examples of small businesses successfully engaged in branding their company, existing scientific literature, as well as data from business journals and other reliable sources. The analysis of the collected data and the results obtained from various studies, as well as their generalization, helped to provide a broader understanding of the role and importance of effective branding for the success and development of small businesses.

Findings

The first thing that customers pay attention to when they see a brand is its visual identity. For small businesses that face large enterprises (competitors) in the market, it is very important to have a means to attract attention, which is the visual component, because with it companies will be able to gain a foothold in the minds of users and stand out from competitors. The logo is a key element reflecting the essence of the company and its values. The color palette, text, font, and shape all affect the perception of the brand by customers. The next important part is the packaging of goods, a study from Nielsen showed that about 72% of people choose products based on their appearance. Subsequently, for small businesses this can be a powerful tool for increasing sales, while a small marketing budget can be one of the main problems, bright and thoughtful packaging can attract the attention of customers even without significant advertising costs. Importance of storytelling: to establish a deeper emotional connection with clients, which, especially in the long term, plays a key role in branding, companies should tell stories to their buyers so they can feel like a part of something bigger. Due to storytelling, customers can get/see the meaning of buying from a certain brand, and not from competitors. People remember stories, not facts. For example, if the company can clearly convey to its clients the message showing their values, people will experience happiness

and pride from supporting such a brand. And this in turn will contribute to increasing loyalty users, because people with great probability will return to the brand to test the same positive emotions they received from the past purchase. And finally, it is storytelling that gives companies the opportunity to communicate with buyers in the language of emotions. An example of another new small business that, like Cafe Wien, was able to achieve success and increase its brand awareness in a short time period due to successful branding is the company BEARBISH (Bubble Tea). BEARBISH started its operations at the end of August 2024 in Uzbekistan, offering customers a variety of unusual drinks, and most importantly, all the success from branding lay in the unique packaging of the product. They did something that no one had done before, the company started selling its drinks in bottles in the shape of a bear. The attractive and memorable interior of the cafe also attracted the attention of the audience, thus, because of the unique branding of BEARBISH, they became popular among people in a short time. Their main promotion channel is Instagram, where many famous people in their account promote and encourage the audience to make purchases. Since people trust the celebrities they follow on social media, it helps businesses increase sales based on trust. BEARBISH mainly focuses on people's reviews, often posting them on their Instagram account, thus gaining people's trust.



Figure 2. BEARBISH (Bubble Tea)

One of the main problems that small businesses may face in the process of branding is limited financial resources. For high-quality market research, creating a suitable logo, as well as planning and designing products at a high level, significant costs are required, in the form of hiring qualified/experienced employees, production costs and much more. Budget constraints might lead to the creation of weak marketing campaigns and a waste of resources. Also, lack of professionalism and experience could result the formation of a weak brand, due to poor-quality logo design, packaging and other visual elements. And this, in turn, will lead to a misconception about the brand and its values. Brand awareness in this case will be very low. Misunderstanding the needs, preferences and values of the target

audience brings up difficulties in communication between the brand and potential customers. It is extremely important for companies to clearly identify their target audience in order to meet their expectations and clearly understand the unique advantages of their product or service. It would allow the brand to effectively position themselves in the market and avoid common mistakes often made by many small businesses.

Discussion

Branding is a powerful tool for both small businesses and large corporations. However, small businesses, unlike large companies, have limited financial resources and cannot afford significant marketing expenses to increase brand awareness and attract customers. Therefore, the success of small businesses mainly depends on the effectiveness of branding, through which they will be able to highlight their unique competitive advantages, as well as gain the trust of customers, without incurring heavy costs. Since effective attraction of potential buyers, their retention, and word of mouth are extremely important for the continued existence and growth of small businesses, it is crucial for them to create a strong brand with clear values and mission, including attractive offers that customers will find difficult to refuse. To compete with the big players in the market, small businesses can invest in creating a visual image appropriate to their business, including creating a unique and memorable logo, slogan, icons, text, as well as choosing colors to evoke the right emotions, be it delight, joy or nostalgia. For example, the local Wien croissanterie, which was described above, despite strong competition in the market, was able to attract customers and gain their loyalty in such a short period of time due to its vibrant design and the uniqueness of its croissants, as well as the sincere history of the brand. The company is very active on social media and successfully conducts its business through effective branding. Finally, one of the main advantages of branding is its ability to adapt to changes, and branding will evolve as small businesses grow.

Recommendations for improving branding for small businesses:

- Clearly articulate the brand's story. Because it is stories that might help companies strengthen their emotional connection with customers, reflecting the values, missions and unique advantages of the business. A brand's story should be sincere, simple, and engaging, as well as answer several important questions, including: what problem does the business solve, and why should consumers buy from a particular brand rather than from competitors. Storytelling is a powerful tool that will help small businesses stand out from large competitors, making them unique in the eyes of consumers. Building a strong emotional connection with customers

through sincere storytelling will help companies increase customer loyalty and sales through brand credibility;

- Invest in visual identity. The first thing a customer sees when they encounter a brand is its logo. Since people usually make a decision about a brand in a matter of seconds, based on its visual component, a well-chosen color palette, font, shape, graphic symbol, slogan and text play a crucial role for a business. The visual image of the company should be unique, memorable and recognizable at first glance, reflecting the essence of the brand. The same applies to the packaging of goods, because when choosing a product among dozens of alternatives, people mostly pay attention to the packaging and make a choice in favor of those that seem more trustworthy, convenient and environmentally friendly. Finally, since it is the design elements that create the first impression of a company, they should be the same on all materials or sites where the brand is represented, arousing interest and trust;
- Using digital platforms and customer reviews. Nowadays, with the help of social media, small businesses have a chance to attract the attention of an audience without incurring high costs. For example, using Instagram and TikTok, small businesses will be able to expand their market reach, communicate with target audience, share stories, etc. These platforms can be a great tool for companies with limited financial resources. Additionally, to ensure that customers can easily find a business through search engines, it is essential to optimize the website and implement SEO. This helps the company's website appear among the top results during a search, as people tend to click on the first links. Social media offers small businesses an affordable way to understand the needs, preferences, values, and challenges of their target audience. To achieve this, companies should regularly conduct surveys, encourage customers to share their buying experiences, both positive and negative, as well as analyze customer feedback. Based on these insights, they can make necessary improvements, adopt innovations, and drive further business growth.

Conclusion

To summarize, effective branding in today's competitive market will enable small businesses to stand out from major competitors, attract and retain customers, increase sales and brand awareness, as well as strengthen trust, making the company memorable and attractive. Branding can make any business unique by emphasizing its competitive advantages, as well as creating strong marketing campaigns that can influence the minds of consumers. Effective branding includes, in addition to the visual component, the creation of unique offers for customers that they will find difficult to resist. Storytelling, so that customers will have a reason to buy from a particular brand instead of competitors, as well as stories are crucial to

build a deeper emotional connection with clients. Furthermore, one of the key tasks of branding is to clearly convey information about the company's values and missions so that customers can feel proud of supporting brand when buying, this helps to strengthen customer trust and loyalty, which is especially important in the long term. Because of that it is so important for small businesses to prioritize branding, considering it as a strategic investment to ensure sustainable growth and guarantee success in today's market.

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