

# Branding and Commercialization of Heritage Products and Services Eco-system Framework

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## Abstract

Heritage product or service which is a branch of the invention or tourism package oriented has been identified as significant revenue generation in economy sector in Malaysia. The disappearance of heritage products and traditional services has become increasingly obvious in the tourism industry. This is due to several factors including incapability of connecting and engaging with others lifestyle heritage, cultural and tourism activities, unwillingness of generation to continue intricate craft skills, lack of innovation, creativity and technical skills, lack of compliance in standards or international entry requirements and lack of financial support. Therefore, this paper suggested an ecosystem framework involving thirteen components which reflecting the entrepreneur needs, the government intervention and marketplace platform for sales and marketing. As part of framework development, qualitative and quantitative methods were conducted to examine the components of ecosystem. The collaboration between the academia, the government agencies, cottage entrepreneurs and the industry are essential which would be beneficial for all parties to bring the products and services into sustainable tourism industry.

**Keywords:** Heritage products, heritage services, cottage entrepreneurs.

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## I. INTRODUCTION

Building a necessary ecosystem is essential for cultural heritage preservation and conservation, quality of life improvement, community development and ultimately elevating socio-economic status of communities. Heritage means inherited of history or traditions from one's ancestors over generations in which considered an essential feature [1]. It has several different categories including cultural heritage, natural heritage, tradition and virtual heritage. Heritage product or service is a branch of the invention or package oriented towards the cultural legacy of

the location where tourism is taking place. Culture implies to the patterns of human activities and the symbolic structures bring advantages centres[1].

There are two types of heritage; first is tangible and second is intangible. Tangible heritage refers to something that is permanently touchable and being seen [2] such as the historical site, monument, buildings, nature's cave, forest, mountain, river, flora and fauna. On the other hand, intangible cultural heritage as defined by the Malaysia National Heritage Act 2005 is referred as "a phrase, language, pronunciation of the tongue, saying the song is produced by the music, notes, audible lyrics,

songs, folk songs, oral traditions, music, dance as generated by the performing arts, theatre, musical compositions and sound, martial arts that has existed or exists in relation to the heritage of Malaysia or any part of Malaysia or the Malaysian community in relation to heritage”.

Both branding and commercializing are essential actions for community development towards reviving and sustaining cultural heritage in heritage products and traditional services in the olden days. Branding is a process of designing a unique image, name, logo, symbol or any combination of these for a specific products or services to attract the consumers [3], [4], [5]. Meanwhile, commercialization is the process by which a new products or services are introduced into the general market. Tourists and consumers are motivated toward connecting and engaging with other’s lifestyle heritage and cultural [6]. Sarawak which is the largest state in Malaysia exhibits diversity in culture, ethnics and languages. The effort of maintaining Sarawak heritage-based products and services has been realized in many government initiatives, higher institutions, colleges, schools, non-profit organizations (NGOs), communities and private organizations. For example, the Old Kuching Smart Heritage (OKSHE) initiative comprises Monuments Heritage, Riverfront Heritage, Business Heritage and *Kampung* Heritage under Sarawak’s Digital Economy Strategy for the year 2018 to 2022.

Heritage products come from the resources of raw materials from which the heritage products have been derived. As a matter of fact, authentic food products are the utmost vital element in commercializing the heritage products. For heritage services, several importance as being part of crucial value to the functioning ecosystem (flora and fauna) and economics. They generate significant tourism revenue for the Malaysian government thereby

making the tourism industry as one of the most important in economy sector. For instance, rural local community retains control over the processes in sustaining the tourism industry [7], [8].

Notwithstanding, small-scale of entrepreneurs having difficulties in sustaining their business [9], [10], [11]. These include incompliance packaging standard, labelling of product is not adherence to National and International Specification and Standard, and also lack of education [4], [12], [13], [14]. In addition, skills and awareness in product development, branding, sales and marketing within small rural villages or *Kampung* community is still scarce [4], [9]. According to [14], there is lack of *Kampung* heritage products were registered and coordinated at various local government agencies. For example, the survey was conducted at *Satok* village (*Kampung* heritage areas in Kuching City) in which there is no proper platform in registration of “One *Kampung*, One Product” based on the village and community responses. Also, the government agency resists sharing information and resources with community. Also, the departments approach has led to overlapped roles and responsibility [10], [14]. Thus, the present paper aims to provide the framework on branding and commercializing the heritage products and services ecosystem especially to cottage entrepreneur in boosting the sustainable tourism industry.

## II. LITERATURE REVIEW

### A. Branding, Commercialization

Branding is a process of designing a unique image, name, logo, symbol or any combination of these for a specific products or services ecosystem in order to advertise and attract consumer's mind [3], [4], [5]. Although some researchers mentioned that the complexity in constructing the branding of product and

services as a troubling [15], [16], others have discussed that the constructs of three element; culture, history and nature can be incorporated to build and promote a branding model. The models have its own unique aspects [15], [17]. It is discovered that a brand can provide information which allow a consumer to; (i) differentiate it from other product or service, (ii) identify a product or service, (iii) create expectations about the experience offered in a service, (iv) consolidate and correct their perceptions of the services visited [18].

Without doubt, every tourism destination is seeking to attract more tourist or consumer prior to the increasing competitiveness of markets. Although the concept of branding has been widely employed on products and service in the markets, the intangible heritage element is still less concept to be included as a part of product or service [18], [19], [20]. It should also be emphasized and combined the elements of culture, history, landmarks, leisure and community are of common traits of attractive to reinforce tourism marketing. Generally, branding is an arrangement of marketing activities aiming to promote the different dimension of attributes among the competitors. Therefore, the Table-1 below discusses on three dimensions of culture, history and nature of a consumer fascinated.

Table 1. Three dimensions of culture, history and nature.

No.	Dimension	Descriptions
1.	Culture	[19] mentioned that the branding is connected to the preservation of traditional customs and lifestyle. As stated by [21] that culture is influence by the community in term of behaviours and life ethics inherited from their family and other institution. It involves the costume, dialect, traditional, gastronomy, music, handiwork, workmanship and sometimes building of the branding[21].

2.	History	Among three dimensions of history, culture and nature dimension, [19], [22]discover that history is the main influential components which conveys and triggers worthwhile travel experience. [22] also mentioned that historical location will be successful to make a memorable experience to tourist.
3.	Nature	[19] suggest that climate and physiography are the elements of natural sources and environment which contribute to construct the branding. These attributes are mainly influenced by the sources and geographical region.

Meanwhile, commercialization is the process by which a new products or services are introduced into the general market. A unique aspect of tourist for consuming or involving the products and services is that they are motivated toward connecting and engaging with others lifestyle heritage and cultural [6]. For many of developing countries which entering the tourism market, rural tourism has become an important product, allowing the local communities to share their natural environments and affordability with tourists seeking for more authentic experiences [7], [23]. This supported by [8] found that the arts, culture and heritage have long contributed to appeal of tourist destination. The capability of tourism to improve the living conditions of local community has given rise to emergence of new destinations or services all over the world as reported by United Nation World Tourism Organization [24].

### B. Issues and Challenges

The intangible heritage product and service has been highlighted with a lot of benefits; increasing new investments, realizing the usages of natural environmental, heightening social life and inspiring the awareness of culture and better livelihood [25], [26]. Although the

importance of intangible heritage products and services in the industry is very well documented in the literature, however, there are certain challenges and constraints contributing to the setback suffered by this traditional heritage product and service [27], [28].

The main challenges and constraints in developing intangible heritage product and service are lack availability of sufficient resources and data. As mentioned by [20], non-availability of data is a key weakness to use of the safeguard measure for handicrafts. Most of the handicraft activities are informal in which it should be some numerical evidence. Thus, the policy makers are able to draft the regulatory and policies accordingly to promote and revive this sector. Besides, agriculture production is mostly seasonal, leaving them unemployed for certain period. In addition, the main issues and challenges is industrialization and mass production. Traditional handicrafts with less logistic support and the crafts face stiff competition between seller having similar products. The mass-produced items should be incorporated with machine made products [27], [29]. Consumers prefer to choose trustworthy partners, as small business face challenges to meet the multiple product choices and flexibility. Furthermore, unwillingness of generation to continue their intricate craft skill is one of the challenges in branding and commercialization of intangible heritage products and services. The generation finds it difficult to undergo the profession due to less skills, complex and time-consuming process production. Hence, young generation intend to choose their own profession with less demanding work with higher salary [27], [28].

Besides, lack of innovation, creativity and technical skills can be an issues and challenges

to the entrepreneurs in branding and commercialization of intangible heritage products and services eco-system. The products should be introduced with modern designs with the preservation of traditional design. Due to lack of innovation and technology, the artisans are unable to compete in market and fulfil the demands of the customers. Also, they are less education training and due to financial resources. Difficult for artisan to obtain market information, access various government schemes, thus making them uncompetitive [29]. Although several artisans succeed to build their shops, they cannot expand business and due to financial constraints in which their hands are tied. Moreover, it is difficult to get loans from local banks as they cannot guarantee the repayment. Even, if the artisans managed to get loans, their profit is lower than interest rates [3], [29].

### **III. BRANDING AND COMMERCIALIZATION OF HERITAGE PRODUCTS AND SERVICES ECO-SYSTEM THEORETICAL FRAMEWORK**

In the proposed for branding and commercialization of heritage products and services ecosystem framework, it includes thirteen (13) components of business development activities (as shown in Fig. 1), interacting with each other towards achieving a holistic development. These include; business license, business start-up, talent development, standard and regulatory compliance; research and development innovation, product or service development, sales and marketing, commercialization, intellectual property or copyright management, branding excellent, monitoring and quality assurance, social innovation and tourism activities.



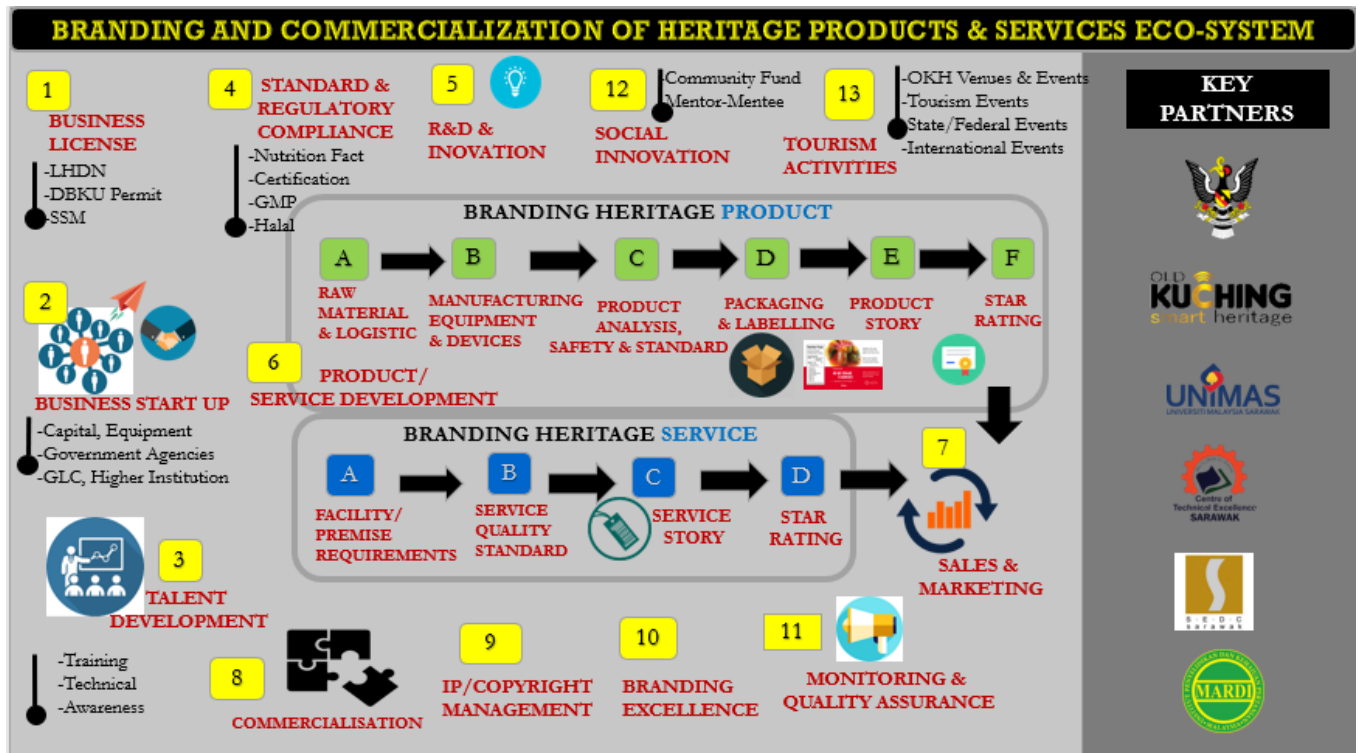


Figure 1: Branding and Commercialization of Heritage Products and Services Eco-system Framework

#### A. Business License

Business licenses or premise licenses are permits issued by government agencies that allow any individuals, companies, partnerships or sole proprietors to carry out their business within involving the government's terrestrial jurisdiction [30]. For those who propose to do business in Malaysia include in the state of Sarawak is encouraged to register with the Companies Commission of Malaysia (CCM) or *Suruhjaya Syarikat Malaysia* (SSM), which is in line with the administration of the Companies Act 2016. In addition, The Inland Revenue Board of Malaysia (IRBM) or *Lembaga Hasil Dalam Negeri Malaysia* (LHDN) is one of the main revenues collecting agencies of the Ministry of Finance. IRBM was launched in accordance with the Inland Revenue Board of Malaysia Act 1995 to give it more autonomy especially in financial and personnel management as well as to improve the quality and effectiveness of tax administration in line with their vision of “A Leading Tax Administrator that Contributes to

Nation Building”. The board is responsible for the overall administration, assessment and collection of income tax and other direct taxes.

According to [31], with an appropriate business or premise licenses, it is easy to run heritage products or services ecosystem as tourism entrepreneurial activity. For example, food premises in cafeteria or canteen in Kuching City are encouraged to apply food business or premise license in accordance with the Act, Ordinance, Regulations enforced by Commission of the City of Kuching North or *Dewan Bandaraya Kuching Utara* (DBKU). In addition, the commission is responsible for carrying out market reviews, investigating complaints and imposing penalties to the offenders. This purposely to ensure the city toward clean, beautiful, and safe city comprehensively.

#### B. Business Start-up

Start-ups the branding and commercialization of intangible heritage products and services generate lots of advantages to the citizens including offering

employment opportunities, creating innovation, play a significant role for their growth and development [29], [32], [33]. Despite their significant role towards the economic and social, start-ups have a difficulty in surviving and sustaining as the failure rate of start-up range from 50% to 95%, especially in emerging countries such as Malaysia [10],[34], [35].

### *C. Talent Development*

A study of [36] mentioned that the importance of talent development and management in the relationships between the employee engagement. Talent management has now been identified as a critical enabler for the Government Transformation Programme (GTP), Economic Transformation Programme (ETP) and the 11th Malaysia Plan (2016-2020) to aspire Malaysia towards a developed and achieve a vision 2020 with the competitive status of high economy income. It is time to tap the local talents, commercial the intangible heritage product and service to move forward. Thus, Malaysians need to give the strength in training, technical and awareness to develop their own capacities, capabilities and consider sourcing talents with a global vision and culture.

### *D. Standard and Regulatory Compliance*

The standard and regulatory compliance for public is crucial to ensure the food or beverage for example are suitable, good quality and healthy with a nutrition fact. The seller should ensure the safety requirements for human consumption are implemented accordingly, such as in testing, Good Manufacturing Practices (GMP) and certification. In addition, there is an existence of pressures in the halal food industries [32], [37], [38], [39]. In Malaysia, the demand for halal foods for Muslim population was comes mainly with more than 16 million people. The size of the halal food market is estimated to be USD 8.2

billion meanwhile the world halal market is valued at USD 580 billion (or RM 1856 billion) annually [37]. Halal compliance will have a major impact in the food sector in Malaysia because the concept of halal is an absolute key to business start-up and growth. So, the halal status of their products is a pre-requisite to success for all Malaysia food manufacturers [38], [39]. Not only halal licensing, but also the compliance to standards through certification can be used as a marketing tool to enhance customers' self-assurance on the products such as food products and beverages. The usage of standards confidence the consumer that the products are of safe, good quality and free from hazards. Thus, commercializing the intangible heritage products and provide the services are encouraged to certify the product quality systems and it proved to be strategic tools in a proactive way.

### *E. Research and Development (R&D) Innovation*

The R&D might consist of a combination of scientific, qualitative and quantitative approach. Seeking to stimulate technological advancement and long-term economic growth, the Malaysian government set a rapid change finally contributed to the mass development of rural tourism and at the same time influences the local community in terms of environmental, economic and social [40]. This can be achieved by providing a conducive research environment and platforms. Malaysia and even the international arena have thus witnessed a number of products commercialized [41]. Many more products have high potential for commercialization but have not been able to do so because of certain constraints. Thus, we believe that it can work together with these researchers in Universities, Research Institutes and a wide range of industries to overcome some of constraints,

thus ensuring more R&D products are brought to the market and spurring economic returns for our state, Land of Hornbill.

#### *F. Product or Service Development*

New product or service development is a process in carrying out uncertainties involved the understanding on needed information, recognizing the place to obtain the information at scenario planning, and aware once it is in hand [29], [42]. It could reasonably be argued that a new product or service development have demanded a great deal of attention from the customer needs [42]. There are six (6) stages in branding the intangible heritage product as follows: (i) Raw material and logistic (ii) Operation and manufacturing equipment and devices (iii) Packaging and labelling (iv) Product, analysis, safety and standard (v) Product story (vi) Star rating.

The raw materials of product development can be formed into food or useful products. Sarawak is fortunate to be endowed with plenty of raw materials from our natural ecosystem. For example, the rattan or Bamboo (also known as *Buloh*)plantation used in making high quality versatile and handmade of rattan bags from the experienced artisans. In food application, the functional materials are extracted from various natural raw materials. Then, the food will be incorporated to form the structure, stability and eating qualities desired. For example, banana plants provide potential of fruits asraw materials for many food processing such as dessert banana or banana chip. In addition, some of raw materials used in a wide variety of application. For example, citrus essential oils profitable in the pharmaceutical and food industries. The practice of storing raw foods under good condition is necessary to maintain the composition and properties as raw materials for making processed any pharmaceutical or food products within certain period.

Investigating the variation factors of raw materials composition, and the interactions between the various constituents, will be a source of knowledge for the choice and control of processing operations. It is very important to provide the operation and ensure the available of manufacturing equipment or devices. Product packaging and labelling signs should be set up to ensure product origin, create added value, and enable consumers to distinguish products with specific qualities. Then, the cottage entrepreneur is responsible to provide product specifications and analysis certificates accordingly to standard and regulatory compliance. When it comes to food safety and quality, the goal is to ensure that food safety and quality standards are adhered. Product safety screening is needed to protect consumers from harm when eating or using the commercially available products. A product advertises better if it has a story behind it towards any historical, religious or social stories. The value of storytelling traditions can also be conveyed in the effort to satisfy the product demands and grow the business. Last but not least, star rating can be used to guarantee food safety, follow the compliance quality standards and thus create value for consumers.

There are five (5) stages in branding the intangible heritage service as follows: (i) Facility or premise requirements (ii) Operation service (iii) Service quality standard (iv) Service story (v) Recommendation and star rating. The facility and premise requirements should be fulfilled based quality management systems. For instance, the rising demand for spa is related to the changing lifestyle. The customers come to ambience with enjoyment, relaxation and serenity. According to Spa Industry Profile Malaysia reported in 2002-2007, numbers of identified spa's in Malaysia have raised over 200% since the year 2002, consisting 151 spas presently operating and 25

spas under development [43]. The increasing interest of operation service in traditional massage treatment was the most current industry trend observed by spa owners. Thus, the service quality standard of reflexology and health establishments can be offered with a comfortable facility. As the tourism industry has become valuable in Sarawak, creative and innovative industry moves forward to improve the marketability in a heritage service. Brands express in a form of a narrative and share their heritage with a meaningful, memorable and relevant story which called as a service story [4], [29], [44]. To those who meet the criteria can be classified as highest scored star rating on a scale. Realizing the heritage products and services ecosystem had a good potential, State government of Sarawak proposes to have an extra convergent to tourism industry in the context of marketing culture, heritage, and environment services. Marketing in tourism industry will enable more application of innovation and creativity in the context of heritage product growth and development.

#### *G. Sales and Marketing*

Sales and marketing are primarily operation involved in distributing and retailing goods or services. Physical and digital marketplace have been identified as platform to market and sell local products and services. In fact, sales and marketing association with several businesses that employed salespersons in which greater than capital expenditures in the strategic process [42]. The branding heritage speaks the status, character and history in which connect with ancestor and lead to the beauty of the products. Some of products come out from a traditional way of life that bring the value to present and for future generation [15]. With these, the biodiversity, heritage products and services are interlinked and have a symbiotic relationship towards a sustainable of tourism [28], [42]. The diversity of strategies area or potential services

from the local community should be guidance and be the subject of monitoring to ensure the attraction for Sarawak's expanding tourism activity and sustainability of our heritage.

#### *H. Commercialization*

Commercialization is the essential element of bringing new products or services to market, whereby the technological innovation applied is effective [46]. Previous researchers reported that commercialization is one of the important business-based related which can be divided as follows [9],[45]; [46]:

- a) Increase profitability
- b) Shorten time to market
- c) Enhance innovation capability
- d) Create greater flexibility in Research and Development (R&D)
- e) Expand market access

Through an effort of broadening commercialization, a business can be transformed from a piece to a "thing" become a profit-making. In term of the cultural heritage commercialization, it involves the cultural form in creative entrepreneurship[45]. The entrepreneur has to ensure the cultural heritage tourism business does not losing its art idealism with good archived histories. Other than that, the entrepreneurs are responsible to ensure the product form based on the heritage should be perceived the originality as much, and thus the cultural heritage value remain on its original site.

#### *I. Intellectual Property (IP) or Copyright Management*

Intellectual Property (IP) or copyright management is a legitimate idea for new pursuits change their development potential and innovative into market esteem [47], [48]. The most prominent types of IP are copyrights, patents, and trademarks and trade secrets. Small and medium-sized enterprises (SMEs) are often



pushing force behind their development and innovations [27]. Their innovative capacity, however, is not always fully exploited as many SMEs are not alert of the IP system or the protection for their brands, designs and inventions [27].

Recently, many entrepreneurs of any industries rely on the adequate enforcement of their copyrights to secure authentic business resources, while purchasers utilize IP to ensure they are purchasing the guaranteed product and the product is secure by its creations [14], [49]. Under intellectual property Law, IP is a tool in creating the business of current and potential customers and in positioning the business in the market (Official web, intellectual property corporation of Malaysia (MyIPO) or Perbadanan Harta Intelekt Malaysia). Thus, IP's promote the assurance for consumers demand and markets.

#### *J. Branding Excellence*

Brand excellence is the determining the impact of advertising the brand personality taken by the entrepreneurs' decisions [12]. Effective and excellent brand management encompassing the personality in reaching the overall company goals of loyalty, satisfaction and profitability. A study by [50] reported that the product with brand level is controlled by brand trust. The identity of brand, from the viewpoint of purchaser, is the basic of a good brand-building program. Brand loyalty, in turn, lead to greater market share as well as attitudinal loyalty leads to a higher relative price for the brand [50], [51].

#### *K. Monitoring or Quality Assurance (QA)*

Quality assurance (QA) is the actions in providing confidence that a product or service arranged systematically [52]. QA is like putting railings on stairs in which the goal is to prevent problems in manufactured products and fulfil the requirements of the clients as promised. In

addition, continuous monitoring and the improvement of suitable heritage products for example must base on the correspondence relation between the satisfaction, perception, and tourist' expectancies [52]. Most of tourist wants to be offered multiple choices and discover the most diverse preferences. Thus, the need to be sustainable business is required with a frequent monitoring from responsible agencies.

#### *L. Social Innovation*

Social innovation is practices to reach the needs and wellbeing either activism, online volunteering or distance learning with decision-making style [13], [52]. The social network brings entrepreneurs to transform the information flows and devoted in wider circulation of ideas effectively to larger audience [13]. Individual entrepreneur is encouraged to enter into a mentoring relationship. Both mentor and mentee clarify their goals, share ideas and values. Mentoring can be accomplished by decision-making with the purpose to reach the development of product and business growth [13], [52]. The social innovation turned into an idealistic blend with market-based principles. Community fund can be effective way to produce transformation and innovation. The case can be achieved with an idealistic aspiration by an operative social decision-making.

#### *M. Tourism Activities*

Tourism activities is one of the most important industries in the economy and social benefits in our country, Malaysia. According to Department Statistics Malaysia, Official Portal (2019) the main industries of tourism activities focused on retail trade followed by food beverage service, accommodation and recreation activities which significant contribute to our economy. The most states that give an impact to the tourism industry are Selangor,

Kuala Lumpur, Johor, followed by Penang, Perak and Sarawak. Selangor recorded the highest value added of tourism industry with RM51.0 billion or 31%, followed by Kuala Lumpur RM50.5 billion (30.4%), Johor RM11.4 billion (6.9%), Penang RM9.0 billion (5.4%), Perak RM6.7 billion (4.0%) and Sarawak RM6.7 billion (4.0%) (Official website of Department Statistics Malaysia, Official Portal (2019).

Due to potential of tourist heritage attraction in state of Sarawak, the Old Kuching Smart Heritage (OKSHe) initiative was introduced within local communities. OKSHe encompasses of Business Heritage (India Street, Carpenter Street, China Street and etc.), Historical Monuments Heritage (The Astana, Sarawak Legislative Assembly Building, Fort Margherita, The Old Government Printing Office and etc.), Riverfront Heritage (Kuching Waterfront) and Village Heritage in which covering large areas of the Kuching city from Old Padungan to Kubah Ria. OKSHe was established as a medium to support a socio-economy value of the community through technology-based support system and the infrastructure provided.

Developing new managerial and entrepreneurial knowledge from heritage in rural area involve many issues related to environmental policies and protection of rural identity [25], [40]. The entrepreneurs are encouraged to refer to the agencies for assist. For example, Ministry of International Trade and Industry, Industrial Terminal and Entrepreneur Development Sarawak (MIED) is responsible for the coordination, promotion and implementation of industrial development activities in Sarawak (Official website of Ministry of Industrial and Entrepreneur Development Sarawak, 2019). In addition, Sarawak Economic Development Corporation (SEDC) was set up in promote the commercial, industrial and socio-economic development of

Sarawak State (Official website of The Sarawak Economic Development Corporation, 2019). Furthermore, Malaysian Agricultural Research and Development Institute (MARDI) is a statutory body mandated to conduct research in agriculture, food and agriculturally based industries (Official website of Malaysian Agricultural Research and Development Institute, 2019).

Above all, the way forward on branding and commercialization of heritage products and services ecosystem include the mass production. A network cooperation between universities, technological institutes of both private or public sectors and local enterprises, are crucial in developing a sustainable heritage market linkage. The social and economic activities are more closely related to the environment and ecological in which the event takes place.

#### IV. RESEARCH METHODOLOGY

The purpose of this paper is to present a theoretical framework as guidance for cottage entrepreneurs in branding and commercializing the intangible heritage products as well as services ecosystem in enhancing the sustainable tourism industry. Several issues and challenges were identified earlier. The theoretical framework captured and influenced the formulation of questions on our interview guide and allowed for a more nuanced understanding in branding and commercializing their products and services ecosystem.

The combination of quantitative and qualitative research design was chosen as it allows the authors to acquire more details information of the entrepreneurs in this study. The preliminary questionnaire survey which is part of quantitative method was designed to capture the demographic details of cottage entrepreneurs community who participated in this research. The study later examined and collected data via interviews to acquire

qualitative data relating to the perception of cottage entrepreneurs in the context of their business routines and practices. The semi-structured interview was conducted in this study for obtaining rich data from cottage entrepreneurs and to evaluate the practices from early to final stage in branding and commercializing the intangible heritage products and services ecosystem. Apart from that, the ecosystem study has adopted community based participatory research by analyzing issues or challenges and design the appropriate intervention within their business activities. Then, framework development is depicted in the form of aspects, elements and factors mapping, which will be discussed in detail later. The following section elaborate the validation or review sessions that were carried out.

## V. RESULTS AND FINDINGS

### A. Background of respondent's profile

Questionnaire survey was conducted with fifty (50) cottage entrepreneurs community under Old Kuching Smart Heritage OKSHe) residents. Only seventeen (17) respondents were returned the survey, majority was female (n=13). Based on the demographics and other personal background information obtained, out of seventeen (17) respondents, about two-third of respondents were age between 41-51 years old. Majority of respondents (94.12%) conduct their business individually and home-based business. With regards to business experience, nearly half of respondents (47.06%) had less than 5-year experience, followed by more than 5-year

experience with 41.18% and only little respondents (11.76%) had experience less than 1-year. However, all respondents are currently active in growing the business. A week after the distribution of self-report questionnaires, it was followed by the completion of interview session to examine their business routines and practices.

### B. Branding

The community based participatory research has been adopted within cottage entrepreneurs. Several products were chosen for branding purposes. The impact of branding product is based on labelling in which private label brand is one of the factors influencing consumers' purchase choices. Our sample of cottage entrepreneurs were drawn randomly, they might differ in producing type of food product, an experiences and other unmeasured features. There are several selected heritage products of entrepreneurs in Sarawak based on an initiative of "Old Kuching Smart Heritage" under Sarawak's Digital Economy Strategy (as shown in Fig. 2). The product of cake ring or *kuihcincinis* locally available in East Sarawak, Malaysia. It was made out of a base of wheat flour, rice sugar, palm sugar, granulated sugar, margarine, glutinous rice, egg, alkaline water and yellow colouring. Meanwhile, local lime pickle or *acarlimautempatan* is produced based on ingredients of limes, sugar, vinegar, salt, garlic, onion, ginger, cumin, star anise and carrot. Stir-fried sauce or *sambal tumisikanbilis* produced from the ingredients of chili, onion, anchovies and salt and sugar.



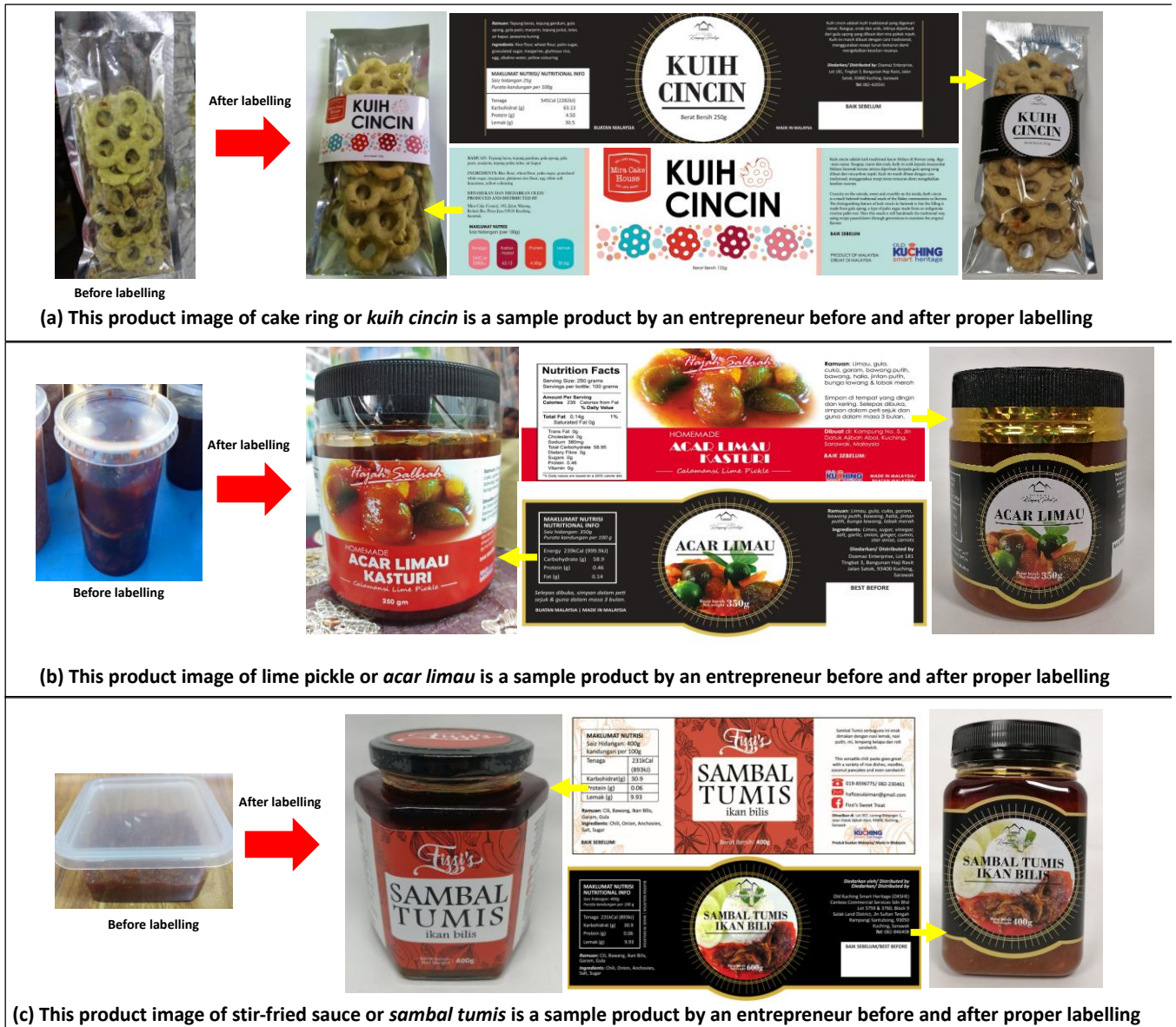


Figure 2: The products produced by cottage entrepreneurs before and proper labelling

With the helping from many agencies, traders of food products need to reconsider their marketing strategy to meet the new requirements concerning the labelling of food products, consumer protection, international performance criteria and standards. Taking into account these manages decisively contributes to the increase of the competitiveness of their local products on the market and to the increase of their competitive with good results in a financial point of view. The need to regulate the labelling of food products is a public interest issue since it aims at consumer protection from

a biologically, economically and socially point of view.

In addition to that, medical or traditional spa services offers the services that must be quality attribute used materials and equipment for the customers. Treatments typically offered include massages, body treatments and aromatherapy. Local medicinal or traditional spa commonly apply for medicinal herbs. Thus, the impact of branding product with the helping from many agencies increase the good results as it provides more informative details (as shown in Fig. 3).





Figure 3: The local traditional products produced by cottage entrepreneurs before and proper labelling.

### C. Commercializing

The findings present the detailed information were gathered in which the main factors contributing their business of commercialization the intangible heritage products and services. The contributing factors are divided into two aspects, specifically on the people and processes. The people aspect consists of contributing factors from top management or leader and project team. Meanwhile, the processes aspect consists of the selected products and services from early

to final stages in managing the business by cottage entrepreneurs. These factors are located in four subsequent phases, which are Phase 1: Planning phase, Phase 2: Implementation phase, Phase 3: Monitoring phase, Phase 4: Expansion [10], [27], [53]. Indeed, the phases as stated in Fig. 4 may be the most relevant to summarize the findings. The four main phases of commercialization the intangible heritage products and services suited and interlinked with a theoretical framework.

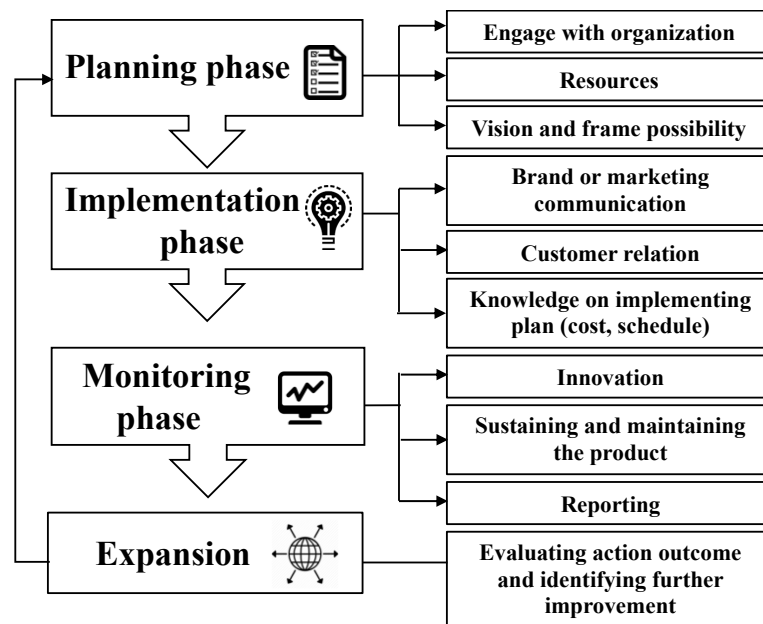


Figure 4: A phase of commercializing intangible heritage products and services ecosystem.

#### D. Planning Phase

The planning phase raises to the initial processes organize by entrepreneur. Within our framework, the early stage on branding the heritage product or service need to receive their business license, start-up idea and talent development skill.

Based on our survey shows that the entrepreneurs are relatively small in terms of employees and a smaller number of highly experienced firms. They are mainly focused on the consistency instance of improvements. As a result, other promising products or services are getting less attention. Due to this, applying the permits, business licenses, and tax registrations are issued and administered for them. Not everyone is ready to jump into the entrepreneurial as their full-part job. The authors have also observed that the respondents from cottage entrepreneurs do not follow the rules and regulations. The reasons behind this fact are the existing rules and regulations do not match with the real-life scenarios. Besides, they are lengthy in terms of processes' and quite complex.

The ideas and related material generated within the scope of business is based on two important considerations of vision and frame:

First, openness distribution of the ideas generated are important means of creating a sense of community or entrepreneur and incentive to participate. Second, the experiences show that most of the initial ideas and concepts generate within the community or entrepreneur. However, as soon as the process reaches the stage of implementation, further developing on the initial ideas into more concrete concepts [27], [35].

It is important to start the planning phase by identifying the part of one or more resources with an adequate budget. Then, branding subject begins with extracting a word or designing a slogan in the form of a notable phrase, or in a sentence that defines a memorable place [54]. Description appears in a concise form, which can be in a length of a statement or in a paragraph. This purposely offer the brand to be preserved [54]. We believe that the slogan hit them gain more confidence in their heritage products and services. The plan on place branding strategy is determined through the planning and discover process, which makes this phase critical to the whole implemented service or product.

### *E. Implementation Phase*

Implementation of the approach was verified after reaching the effectiveness of the planning strategies. In the stage of implementation, comprehensive approach encompassing not only an appropriate action, but effective strategies to overcome resistance in which harder than planning phase [53]. This is because during planning phase, ideas are not yet internalized, in which the needs for control is still limited.

Based on our survey shows that the cottage entrepreneurs having a variety of risks. There are several categories of risks including; business risk, financial risk, operational risk. In running the business, entrepreneurs have faced with competitive pressure on price or market share locally and internationally. The entrepreneurs take some time to respond to demands from market and customers and industry sector. In addition, they also faced with financial risk in which there are high cost of capital and misuse of financial resources. Furthermore, the operation risk such as inefficient management process, quality problem, inattention to information technology (IT) aspects of strategy and implementation as well as health and safety risks.

Within our framework, the implementation phase consists from framework starting of standard and regulatory compliance to branding excellence. Brand or marketing communication can be done by physical and digital marketing platform. This phase works continuously to create or strengthen the services or products of a positioned brand in real time by promoting or communicating through multiple channels, including advertisements, social media and websites [6]. It aims to be consistently delivered in relation to the customers throughout the whole branding services or products. Despite being available of different platforms, its purposes are always the same. Knowledge on implementing post including cost and schedule

should be implemented smoothly through Research and Development (R&D) Innovation. Based on our survey shows that the decision and policymakers in the Government and organization can use these facts for making future initiative.

### *F. Monitoring Phase*

The process of monitoring requires the discipline of putting systematic planning in place, rigorous monitoring at implementation stage and beyond, all require an obligation from the authorities [10],[51]. Based on the framework ecosystem, the monitoring and quality assurance is a component needed for cottage entrepreneurs in commercialization their intangible heritage products and services ecosystem. Thus, the need to be a sustainable business is required with a frequent monitoring from the responsible agencies. The policy of offering ideas can be obtained from agencies related. Systematically, there are three types of government structure in the Malaysian Federation system including; Federal, State and Local Governments. According to the structure, Federal Government is responsible for all aspects system whereas Sarawak State Government is responsible in assigning the information to Local Government Representatives. Any report should be carried out by investigating complaints and imposing penalties to the offenders.

In the case of performance measurement of the monitoring phase, many agencies including key performance indicators (KPI) is the widely used performance measurement technique. But based our field survey result shows that many of the entrepreneurs are quite unaware of the fact. The authors believe that each of the leader and team members should have clarity and concision regarding the performance measurement.

An initiative from many agencies was helped the entrepreneurs in the basic of the nutrition

facts label to the products. Nutritional facts database had been undergone in an appropriate procedures, detailed analysis, and advanced tools. We believe that the nutrition facts label is a label required from on most packaged products produced by cottage entrepreneurs. Based on the gathered data, the authors have observed that the entrepreneurs have influence over critical decision making such as choosing the story branding, logo and etc. However, other entrepreneurs are prioritizing the requirements without considering the concerns of their development team or workers. This practice should be carefully considered as the development team is the one who will reflect and follow the practices.

#### *G. Expansion Phase*

The rationale behind expansion phase idea is simple: The higher the number of people from local and international consumers who argue, give feedback, and work on a certain idea or concept, the better and more sophisticated the solution in which makes research and development more effective [9],[10],[33]. Thus, positively impact on the company's profit services or products. In the expansion phase, a cottage entrepreneur is responsible to generate a sharing link product or service to tourism package or any state events.

The authors have investigated the facts behind the issues and challenges of requirement prioritization in tourism activities. Due to the less skills and communication challenges, the practitioners are facing the challenges in this phase mostly. The prefer to meet consumer of face to face rather than advertise the product via website. The complexity of the technique was the reason behind the issue. So, in order to overcome the challenges, the initiative of responsible organizations require them to involve in effective training and communication skill as an efficient prioritization technique.

## **VI. CONCLUSIONS AND RECOMMENDATIONS**

The insights from the quantitative and qualitative data showed that heritage products and services are among an active attempt among the cottage entrepreneurs in Kuching, Sarawak. The authors' impression regarding the ecosystem of branding and commercializing is that this choice may be risky for the effective development because most of the entrepreneurs indicated that the requirement prioritization is the most challenging task in the development process. Thus, based on the observation, the authors have made following recommendations: Training institutes should update their curriculum to support between industry demand with cottage entrepreneurs through the talent development and increase government interventions within cottage-based entrepreneurs (eg. Research and development, business funding, sales and marketing). Furthermore, increase the involvement of entrepreneur's team regarding decision making is highly recommended in developing the business. In addition, the practice of Information Technology System (ITS) should be amplified among the development team and cottage entrepreneurs regarding communication. From the ecosystem framework, we believe that the collaboration between the academia, government agencies, cottage entrepreneurs and the industry will be increased which would be beneficial for all sides to bring the products and services into sustainable tourism industry.

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