Focus on branding pays off

ValueMax holds the biggest market share in the pawnbroking industry here, report MITALI KUMAR, PRIYA VOHRA and YIP HAI HSIAN

It’s about perspective and time. As with every industry, there will be players who choose not to play by the rules. What separates the sheep from the goats is time. Consumers who look for micro financing and secured loans, are certainly able to tell the difference,” remarks Paul Fong, marketing manager of ValueMax Pte Ltd. A social stigma or a saviour during difficult times? Whichever view you support, pawnbroking is a billion-dollar industry whose history is centuries old. Nowadays, it provides an easy and convenient avenue to borrow cash for urgent purposes or during an economic crisis when banks often curtail their lending operations.

The industry has an extensive customer outreach, especially within the older local Chinese community, but its growth potential has been somewhat limited by the social stigma attached to it. However, the good news is that this industry has already embarked on the process of revamping itself and eradicating the negative perceptions attached to it.

As Mr Fong says, “It’s becoming more modernised and there is a lot of focus on branding. ValueMax has been quick in reacting to the trend. We have implemented a brand unification of our outlets from January this year.”

The pawnbroking industry in Singapore is exceedingly competitive and fragmented with little avenues for differentiation. Mr Fong explains: “We realise the importance of having a reliable identity to attract potential customers and form stronger relationships for greater customer retention. We are seeking to differentiate ValueMax through consistent branding.”

ValueMax, established 20 years ago, is the most experienced player in the field and the industry leader holding the biggest market share. The man behind this achievement is the founder and chairman of ValueMax, Yeah Hsing Nan. With his entrepreneurial spirit and his emphasis on continuous innovation and excellence, ValueMax has been able to keep up with the times. His three children have also joined the business and are assisting to manage its key functions.

Though its main revenue generating activity is pawnbroking, the ValueMax Group has other divisions that support its core business. ValueMax Bullion, the largest scrap-gold dealer in Singapore, allows ValueMax pawnshops to dispose of its out-fashioned gold items. Their reconditioned jewellery shops provide the company with a platform to present consumers with an affordable means to own elegant jewellery.

When asked about the reason behind the choice of these businesses, Mr Fong says: “We want to stay focused on our core competencies and only invest in related businesses. This allows us to leverage and fully optimise our resources. This is one of the ways we ensure that our clients’ needs are met and that there is no conflict of interest.”

ValueMax attracts and retains competent employees through competitive monetary compensation, recognition, trust, and training. Most of its employees have stayed with the company for a long time, and their dedication has not gone unrecognised. This instils a sense of belonging and ownership which motivates them to further excel.

Satisfied employees put in their best, resulting in satisfied and loyal customers. ValueMax has a 70 per cent retention rate for its customers and the largest customer base in the industry. This high retention rate can be attributed to key factors such as superior product and service quality, familiarity with employees, customers’ trust in the transparency of company operations, and goodwill of the company in the form of better interest rates for high-value and regular customers.

Furthermore, ValueMax actively implements improvements and expansion plans to further strengthen its market position. There are plans to increase retail space in Singapore and Malaysia as well as other South-east Asian countries.

To cater to the younger generation and the tech-savvy, it plans to extend its services to online platforms. ValueMax also aims to broaden its range of services to include the facilitation of remittances and the acceptance of a broader range of pawn items. Internally, it aims to restructure its management, strengthen its brand, and take a more proactive approach in its business strategies.

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