

A Quantitative Study on the Efficacy of Corporate Brand Identity among Small & Medium Enterprises in Mumbai Region

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Introduction:

Branding in Small and medium sized enterprises (SMEs) is a rarely studied phenomenon among academics and when studied, the theoretical background often consists of product branding even if it is a corporation that is studied. In addition, most of the studies are published in marketing journals rather than in entrepreneurship journals.

Branding, especially corporate branding, is often a radically new concept for entrepreneurs in SMEs (Inskip 2004)

It is a widely accepted fact that SMEs lack the resources that large companies have. It is known that SMEs have limited resources and budget, and because branding is expensive, that is the reason why small companies cannot do that. However, Abimbola (2001) suggests that the effects of these can be minimised with careful planning, cohesive understanding of what branding entails and by involving the whole organisation in building a brand. SMEs have to design and implement branding policy more carefully than large companies (Abimbola 2001).

Only recently has it been noticed and suggested in corporate branding discussions that instead of being just a systematically planned and implemented process of a company, corporate branding taking place in interaction between a company and all its stake-holders.

From the perspective of small and medium sized enterprises (SMEs) the importance of all stakeholders is not a new phenomenon; for example social networks, business networks, industry networks, marketing networks and personal contact networks are widely studied areas because it is understood and noticed that they affect an entrepreneurial company's performance (Hill 2001). In addition, the potential that corporate brand may develop in interaction rather than being a systematically planned and implemented process, means there are several opportunities for SMEs who traditionally lack resources.

Research gaps identified in the proposed field of Investigation

On the basis of literature reviewed it was evident that most of the studies on this subject have been conducted outside India and have been done as individual subjects e.g. Corporate Identity or SME sector. There is hardly any study of the correlation between them i.e. Corporate Identity and SME sector, a crucial contributor to India's economy. Therefore the **Research gap** identified is the non-application of Corporate Identity among SMEs in India

Objectives of the proposed study

The proposed study is taken with following objectives

- 1) To understand the significance of Corporate Identity among SMEs
- 2) To analyze the gap in understanding the impact of Corporate Identity in the success of SMEs
- 3) To study the influence of digital media opportunities in building the Corporate Identity of the SME sector
- 4) To study the impact of Corporate Identity among the different stakeholders of SMEs

Research Methodology & Design

- Type of research: Quantitative
- Research tool: Structured questionnaire
- Region: Mumbai
- Period of fieldwork: January-March 2016
- Respondent profile: Decision makers in SME companies- Proprietor, Promoter, Authorised persons
- Sample size: 200
- Type of sampling: Purposive
- Statistics used: SPSS
- Possible limitation: The study could suffer from the problem of non-response bias

The core purpose of undertaking this study is to gain an insight into impact of Corporate Identity and its efficacy among SMEs in Mumbai region which will be useful for the research planned on a larger scale in the immediate future

Hypothesis

The following hypotheses were tested using SPSS:

A. Corporate Identity Management & SME:

Hypothesis 1: H₀: Corporate Identity management campaign undertaken by SME companies is independent of their revenue turnover

H_a: Corporate Identity management campaign undertaken by SME companies is dependent of their revenue turnover

Hypothesis 2: H₀: There is no significant difference in the perception of companies belonging to different turnover categories on various parameters responsible for their success

H_a: There is a significant difference in the perception of companies belonging to different turnover categories on various parameters responsible for their success

B. Corporate Identity Management among SMEs & Digital Media

Hypothesis 3: H₀: There is no significant difference in the perception of companies belonging to different turnover categories with respect to importance of digital media in building corporate identity

H_a: There is a significant difference in the perception of companies belonging to different turnover categories with respect to importance of digital media in building corporate identity

C. Corporate Identity Management among SMEs & Success

Hypothesis 4: H₀: There is no significant difference in the perception of companies on corporate identity management with respect to different stakeholders belonging to different turnover categories on various parameters responsible for their success

H_a: There is a significant difference in the perception of companies on corporate identity management with respect to different stakeholders belonging to different turnover categories on various parameters responsible for their success

Key Findings:

A. Validity test used: Cronbach's alpha

Score: 0.76

Result: Accepted

B. Hypothesis Testing:

Hypothesis 1:

H₀: Corporate Identity management campaign undertaken by SME companies is independent of their revenue turnover

H_a: Corporate Identity management campaign undertaken by SME companies is dependent of their revenue turnover

Test used: Pearson Chi Square

Level of significance: 5%

Level of confidence: 95%

Alpha (α) value: 0.05

Findings:

p value: 0.562

$p > \alpha$

Conclusion:

H₀ is accepted

Comment:

The importance of Corporate Brand Identity is accepted by the respondents surveyed independent of the turnover categories of their companies

Hypothesis 2:

H₀: There is no significant difference in the perception of companies belonging to different turnover categories on various parameters responsible for their success

H_a: There is a significant difference in the perception of companies belonging to different turnover categories on various parameters responsible for their success

Test used: One way ANOVA

Level of significance: 5%

Level of confidence: 95%

Alpha (α) value: 0.05

Findings: **H₀ accepted if p>a**

Parameter	Findings : p value	Conclusion (H₀)
Company logo	0.335	Accepted
Product quality	0.584	Accepted
Service quality	0.245	Accepted
Advertising	0.350	Accepted
Customer relationship	0.287	Accepted
Availability of finance	0.847	Accepted
Market conditions	0.760	Accepted
Use of technology	0.875	Accepted
Company reputation	0.138	Accepted
Employees	0.949	Accepted
Distributor	0.240	Accepted

Findings:

p> (α) on all parameters

Conclusion:

H₀ is accepted for all parameters

Comment:

The parameters responsible for the success of a SME is common across turnover categories

Hypothesis 3:

H₀: There is no significant difference in the perception of companies belonging to different turnover categories with respect to importance of digital media in building corporate identity

H_a: There is a significant difference in the perception of companies belonging to different turnover categories with respect to importance of digital media in building corporate identity

Test used: One way ANOVA

Level of significance: 5%

Level of confidence: 95%

Alpha (α) value: 0.05

Findings:

p value: 0.284

p>α

Conclusion:

H₀ is accepted

Comment:

Importance of the role of digital media in building corporate brand identity is accepted independent of the turnover of the SME

Hypothesis 4:

H₀: There is no significant difference in the perception of companies on corporate identity management with respect to different stakeholders belonging to different turnover categories on various parameters responsible for their success

H_a: There is a significant difference in the perception of companies on corporate identity management with respect to different stakeholders belonging to different turnover categories on various parameters responsible for their success

Test used: One way ANOVA

Level of significance: 5%

Level of confidence: 95%

Alpha (α) value: 0.05

Findings: Ho accepted if $p > \alpha$

Parameter	Findings: p value	Conclusion (H ₀)
Customer	0.284	Accepted
Supplier	0.670	Accepted
Exports	0.505	Accepted
Banks/Lending institutions	0.477	Accepted
Govt bodies	0.276	Accepted

Findings:

$p > \alpha$ on all parameters

Conclusion:

Ho is accepted for all parameters

Comment:

There is an agreement among SME independent of their turnover groups on the role of different stakeholders in building corporate brand identity

Scope for further research

Given the scenario, there are many gaps in the academic study of branding and SMEs, across various verticals. Some of which could be a discussion on Corporate Identity the efficacy of well managed Corporate Identity amongst SMEs, the difference in Brand Management practices between large scale and SMEs or even the importance of corporate reputation and its impact which identifying business partners.

Further, the author of this article is also in the process of undertaking an exhaustive India centric study of the importance of Corporate Identity management among Indian SMEs. It still leaves many opportunities for further research within the broad and untouched areas of the subject. This study will be an important reference point.

References:

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