A Study Report on

Technology Branding in SMEs

Prepared by

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PREFACE

Technology Branding in the SME sector in today's scenario is an extremely contemporary area of discussion. Normally, branding and technology typically have been associated with high technology companies, where continuous innovation and high investment in R&D makes the industry more reflective in nature. SME's on the other hand, traditionally have relied more on a feeder role and has played the task of being support rather than being a medium. However, this is not to mention that most success stories in high-tech companies have originated from a SME background.

Today, in most OEM or replacement markets the final product has a value chain which runs deep into the system and SMEs are an integral part of the value chain. Especially for technology products it holds greater relevance owing to the heavy reliance on the ancillary industry for either as an after sale medium or pre-manufacturing stage.

In this background looking at the issues and challenges in the context of technology branding for SMEs becomes quite relevant and dynamic. Globally, there are enough evidences of companies or clusters where the SMEs have been exploring the possibility of branding in SME's and specifically in technology companies. This is imperative in the long run as it helps to fetch a better price and even develop a loyal base of customer.

But, the pressure to explore the branding strategies is easier said than done, as it involves a substantial amount of investment in time (not to mention money) for developing clear product differentiation. Besides, in situation where there are too few differentiators between brands the imagery aspect becomes important to showcase.

The typical misnomer about branding and it being a high investment destination is an oft quoted statement for refusal to adopt it as a continual strategy or not feeling the need to explore the possibility. However, branding in technology based SME's does not start with an expenditure notion but an investment notion.

The ensuing report explores the issues, challenges and the road ahead for branding in technology based SME's. It also helps to understand the need for branding, the approach to branding and a conceptual framework that helps SMEs adopt the process of branding.

The report has been developed based on in-depth analysis of two sectors (auto components and textiles) after a pilot study done across five sectors (auto components, textiles, electrical & electronics, software and hardware) to select the two sectors based on the intensity of branding pursued. Basis empirical study done in the two sectors the report enumerates the rationality of branding and why in today's competitive environment, branding has become a necessity and not a luxury.

We hope the report is useful to DSIR and all stakeholders concerned with the project. The institute is grateful to DSIR for providing support and opportunity to work on a challenging project such as this.

K. T. Chacko
Director

January 30th 2009

CONTENT

The study on "Branding of Technology in Small and Medium Enterprises", envisages a sector-based focus on Auto component and Textile sectors. The study has been conceptualized with a view to strengthen and augment various initiatives to showcase their strength. This study is an outcome of the need felt or that could be realized by the SME sectors to identify the need for branding. The study focuses on the following research objectives:

Building the Brand:

- Examining the buyers' and manufacturers' mindset and readiness stage.

- Analyzing problems relating to branding

- Identifying potential items for branding

Communicating the Brand:

- Exploring role of distribution behind branding.

- Identifying the scope of communications to incorporate branding strategy

- Analyzing the customer value proposition and loyalty of the relationship

Nurturing the Brand:

- Formulation of specific guidelines for brand building

- Strategic, tactical, and operational elements of brand building

Based on the terms of reference and the research objectives derived, the methodology adopted was three phased.

1. **In the first phase the desk research involved** a complete analysis of the SME sector, the branding activities currently pursued by the sector and the development of possible guidelines that help to evaluate the intensity of branding pursues. On the basis of the desk research the key factors necessary to assess the intensity are as follows:

BRANDING ACTIVITIES:

- Develop a new brand identity-logo
- Identify key brand messages

- Outline the elements of Brand Identity Guidelines to maintain the integrity of the logo and message delivery of our new brand image
- Assist the short-term Slogan Task Force charged with developing the tagline message
- Expand the communications system and build a network of contacts for broadcasting news
- Monitor where, when and how the Association is mentioned in the news
- Establish a robust electronic press room that can serve both information industry and non-industry media inquiries
- Create and implement communications channels (Brand Talk and Brand Team Notes) for distributing recent news about the branding initiative
- Develop a dynamic Brand Blueprint for the branding initiative
- Integrate branding activities with Association marketing and communications strategies
- Coordinate activities with the Public Relations Committee
- Create a brand launch plan and strategy
- Identify opportunities for involving Association Public Relations Chair people
- Monitor the Association web site revamp endeavors and schedules

KEY OUTCOMES OF THE DESK RESEARCH

The desk research carried out for the study has been fairly exhaustive in nature. It tried to cover the various issues and challenges which are important to the sectors and also explores some of the existing work in the area.

What is quite evident from most of the published data available, the area is quite virgin in India and particularly within the SME sectors there are no visible researches available. The large organizations operating in high end technology have more records and resources as compared to the technology companies within the SME's. Therefore, it becomes a challenge to consider the sector more closely and evaluate the possible work done within.

The concept of brand, branding and managing brands has been explored at the initial level and then the attempt is made to explore the branding orientation, in terms of the process and activities. Later the research focuses more on the branding challenges in SME's. One of the works of Irene Inskip in Brand Management (Vol. II, No.5, 358-365, May 2004) showcases that SMEs need to appreciate that branding in more than just a nice logo, printed stationery and a good reputation, long term benefits can accrue if the

branding process is handled properly and outsiders can help, particularly in the translation of owner vision into a brand concept as SMEs often have problems in structuring what they want to say about themselves.

In a major work by Wong and Merrilees (2005), identified focus critical constructs namely brand orientation, brand barriers, brand distinctiveness and brand-marketing performance. ***Brand orientation*** is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands **(Urde, 1999).** ***Brand distinctiveness*** provides a direction for planning and a guide for implementation (**Wong, & Merrilees, 2005).** ***Brand barriers*** based on the inference that many SMEs perceive they have time and resource constraints to conduct branding activities. **So, to them, it is more or less 'cost' rather than 'investment'.** Later in one of their work, conducted on SME's of Australia by opting case study method eight cases were selected for study and SMEs were selected from services industry to have some control over the industry context.

Figure 1

A brand orientation typology for SMEs: a case research approach

Ho Yin Wong and Bill Merrilees

Journal of Product & Brand Management

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Table I Profile of the case studies

	Business nature	No. of employees	Business growth
Firm A (embryonic)	Financial planning	3	Medium
Firm B (integrated)	Car rental	2	High
Firm C (embryonic)	Marketing consultant	1	Medium
Firm D (integrated)	Coffee shop	150	High
Firm E (minimalist)	Chinese restaurant	5	Low
Firm F (embryonic)	Car cleaning	4	Medium
Firm G (integrated)	Retail	30	Medium
Firm H (minimalist)	Computer shop	2	Low

Findings:
- ❖ The SMEs have a narrow interpretation of what branding is.
- ❖ Branding is for big firm due to their access to ample resources.
- ❖ Their views on branding are limited to advertising plus brand name and /or logo.
- ❖ Advertising activities were seen as important to branding but not critical for SME business.
- ❖ Personal selling and face-to-face communication is a critical part of marketing communications.

- ❖ Quality of their work can't be projected because of budget constraint.
- ❖ Can think about branding if business picks up and if time allows doing so.
- ❖ There are three archetypes: minimalist brand orientation, embryonic brand orientation and integrated brand orientation as depicted in figure 2.

Figure 2

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Table II Branding archetypes

Type	Branding activities	Brand distinctiveness	Brand orientation	Brand performance
Minimalist	Low-key marketing across the board	Low	Low	Low
Embryonic	Stronger marketing but not branding; very informal branding; seen as optional; narrow promotional tools; word of mouth	Low/medium	Medium	Medium
Integrated	Stronger marketing and branding; either informal or formal branding; branding integral, not an option; wider promotional tools	Medium/high	High	High

The study bases most of the outcomes from the Wong and Merrilees (2005) study to develop possible guidelines which can be used as benchmarks for conduct of the field study. The later part of the recommendations also bases the model on the bases of this seminal but limited work done in the area.

2. **The second stage of the study was involved in selection of the sectors and the conduct of a pilot study** to evaluate the branding activities followed in these sectors. The sector selection, done in consultation with the sponsors and the external experts were as follows:

    a. Textiles
    b. Auto components
    c. Electrical and electronics
    d. Software
    e. Hardware

Rational for selection of these sectors:

a. Most of the five sectors selected have had some kind of evidences of branding in their respective areas.

b. The SME's in these sectors have shown a greater clusterisation as opposed to others, which have been found to be more widely spread but lack the organised approach.

SME's, the study also reveals, work better and efficiently when they operate in clusters.

c. The success stories in these sectors, where the SME's have gone on to become bigger high-tech companies have more logical ordering, as compared to the other sectors. Typically, success stories in auto components, textiles, electrical and electronics and to some extent in software and hardware too are more evident.

d. These sectors have been closer to the parameters that have selected to judge the intensity of branding.

e. These sectors have a longer legacy and in India's current spurt in economic growth have shown substantial instances to project themselves and to rationalize the model of India growth.

f. The sectors have had situations where the brand (either as organized or unorganized) has been able to create some kind of visibility. Though, in later parts, the study would also reveal, however, to point out clearly, cluster approach of branding has been the name of the game. Hence, branding of the SMEs as a unit or two clusters has been more visible in these cases.

The study has been able to evaluate the five sectors with the help of a stratified sample selected from these five sectors (attached in Annexure 2) which are 20 in number from each sector and also industry representatives associations from each of the sectors have also been identified (attached in Annexure 2) who have also been analyzed for the study. The questionnaire for the study has been implemented is attached in Annexure 1. The pilot study was more of an in-depth study conducted within the sectors with the association representatives and the industry representatives.

The key outcomes of the study are as follows:

A. OUTCOMES FROM INTERACTION WITH INDUSTRY ASSOCIATIONS:
Most associations unanimously agreed that in terms of industry market positioning, the technology used is relatively homogeneous. Most of them work on a fixed order or made to order format. The pressure for up gradation is not so visible amongst the buyer side. Wherever required the buyer will make necessary adjustments, but nothing beyond that.

They also felt that as most SME's operated in clusters, the pressure to differentiate might be relatively reduced, since the homogeneity of clusters is important. A few sectors like Auto components and electrical and electronics and software have tried to some extent for creating innovation.

In the next part of the indepth interviews, the buyer readiness for branding was assessed. Most associations opined that branding was not visible in the context of marketing efforts through advertisements etc. However, small steps like having a company name, sometimes a separate product name and even investing in a website was quite apparent. However, the industry has not made conscious efforts to showcase such efforts in a visible form. They also felt the websites etc. are more for academic interests and no conscious efforts are made to highlight the same. Alternatively, software companies are regularly updating their websites, owing to need of the business. In some cases of the auto component sector, the efforts have been there to make the websites and other such related promotion points more updated.

Overall associations felt that the effort to look at branding as a step to resurrect the business and to spend both time and money across the industry is not so visible. However, what most associations believed that since SME's work in clusters it might be possible to consider the option of cluster branding. A cluster provides a framework for the industries operating within to work better and efficiently. They work as a cohesive unit and also help each other more as a support (at times physical) or wherever, as a pool to share the necessary support.

At times, the SME's felt the need or even acquired needs to look at branding but it may not be so imminent to them. In such cases, the clusters provide the support to highlight the region and the efforts of the group as a whole.

B. OUTCOMES FROM INTERACTION WITH INDUSTRY

REPRESENTATIVE: The major findings from this pilot study are as follows:

1. In terms of industry market positioning the response was from the point of view of the kind of technologies used by the companies and whether there is some form of

indigenous technology used or any kind of R&D activity pursued by the company. Most of the sectors are adopting standardized format and in terms of technology they have been adopting more or less fixed templates.

2. In terms of the kind of exports markets, most of the software companies responded with visible presence in export markets but the other sectors had mixed response. Electrical and electronics were least visible globally.

3. In terms of response for developing in R&D or trying to develop any kind of indigenous technology, most of them were positive, however, what was referred to R&D did not purport to the standards of what actual R&D activity is all about.

4. The response to the efforts being made to develop indigenous or unique technology was positive but there were visible efforts from the respondents.

5. In the last part of the section, where the respondents had to respond on a number of parameters w.r.t. to technology and

    a. Innovation
    b. Modification
    c. Core technology
    d. Platform technology
    e. Reliability
    f. Cost
    g. Complexity
    h. Substitution ability
    i. Imitable
    j. Market potential

6. Most respondents across sectors has mixed response to these factors but what was evident that across sectors the kind of technology used in clusters did not differ much in terms of the product related differentiation.

7. The second part of the questionnaire was more on trying to probe the kind of orientation the company had for branding purposes and the efforts made by the SME's. The responses are enumerated below:

8. Most respondents across sectors did have some kind of logo and brand name for the company but that was always not in visible form. Some of them even had a

separate name and log for the technology or the specialized product that they had, but no conscious effort was made to highlight the same.

9. Respondents, which were large sized companies, did have a separate marketing and sales department but the role and function was limited as most of them were owner driven. However, smaller sized companies were controlled by the owners themselves.

10. Though most companies realized the importance of pursuing branding activities, however, they were unsure as to what are the benefits of the process, or they it was an expensive proposition or in some case they were unsure of how to proceed with the efforts.

11. Most of these sectors had visible clusterisation visible and they were cocooned in such clusters, because of which need for branding did not seem visible to them.

12. As regards participating in various exhibitions, buyer seller meets, trade fairs were all considered important launch vehicles for them, but somehow the resource seemed to be a cause of concern. They expected greater support from the industry associations and the various trade bodies assisting in the business.

13. They also agreed to having a website, but most cases, barring the auto components and the software the websites were not updated and lacked the right kind of information, to know more about the companies.

14. The companies have not made investments to showcase the logo and the product name as much as they should have done.

15. It was agreed that branding helps in highlighting various features of the product, most importantly, the quality of the product. By highlighting the features of the product, branding helps in building good reputation through improved brand image. It was expressed that quality of product and reliability ensures customers liability, thereby increasing the company's standards and expand business.

16. Attracting particular customer segment was also one among the benefits expected out of branding. Since the textile sector involves the use of technology, with constant innovation and new technologies expanding client base either through direct marketing or through client networking becomes possible thus enabling the SMEs to enter international markets and increase the demand for the products.

Once the products become recognized as branded, SMEs are expected to have a better say on the prices of the product.

3. **The third stage of the study involved the field study in the two selected sectors** and the **key findings of the field study is summarized in the Table 1 below**. The research methodology adopted for the field study is as follows:

Sample size:

The total sample size for the two sectors were 222, comprising of 110 for textiles and 112 for auto components. **(Detailed list of respondent is attached in Annexure 3)**

Sample profile:

The sample profile where two manufacturers from within the sectors, with the following selection criteria:

- The Micro enterprises having a turnover of 50 lakhs.
- The Small enterprises with a turnover of 1 crore.
- The Medium enterprises with a turnover of 5 crores.

In addition to the above the parameters for selection are investment in Plant and Machinery, which are as follows:

- The Micro enterprises having an investment of 25 lakhs in Plant and Machinery
- The Small enterprises having an investment of 50 crores in Plant and Machinery
- The Medium enterprises having an investment of 100 crores in Plant and Machinery

Sampling techniques:

Cluster sampling was used to identify the sample profile and then random samples were covered as a part of the study.

Field of the study:

The field of the study was as follows:

1) For Auto components: Delhi & NCR, Pune and Chennai.

2) For Textiles: Delhi & NCR, Surat and Coimbatore

Method of data collection:

Structured, disguised questionnaire was used as a part of the study, attached in **Annexure 4.**

Limitations of the study:

The study tries to cover as exhaustively as possible the sample but coverage is not fully possible owing to the geographic limitations.

Future scope and coverage:

The scope of the study will entail to developing a workable model to illustrate the cluster in which the intensity of branding activities can be spotted and how the respondents when classified into the clusters are able to rationalize the process of branding activities required to reach a threshold level.

TABLE 1: SUMMARISATION OF RESPONSE

PARAMETERS	RESPONSES OF AUTO COMPONENT SMES	RESPONSES OF TEXTILE SMES
Nature of Product Mix	Seat metal, oil seals, bush and bearing, automotive parts	Yarn, ladies garments, kids wear, saree fabric, cotton fabrics and fabric manufacturer
Market Scenario	Price competition, existence of competition in product selling of high quality product (0-50 competitors with turnover between Rs. 1 Crore and 10 crores),46% located in small and mid-size clusters whose market size is in range of Rs. 1 crore to Rs. 10 crores	Severe price competition, presence of competitors, transportation costs, constant price fluctuations of raw materials, presence of around 50 competitors in the cluster, average size (in terms of turnover) of each competitor is around 28.77 crores, Thirupur is the largest textiles cluster in terms of market size
Opinion on government regulations and policies regarding clusters	For some government tax and VAT structure was found to be favorable, need for reduced power rates, specific guidelines in relation to the Chinese dumping their products, proper regulation of policies in certain cities, need to control raw material costs.	Absence of themes which makes it easy to follow the guidelines, discomfort over absence of benefits for textile mills, absence of flexibilities in VAT, pollution related problems and the pollution act because of dyeing process.
Recent changes observed-Consumer and Policy oriented Changes	Negligible difference in both the cases, lack of government initiatives to bring out a significant policy change in terms of specific product groups, image of the product and market in customers mind had not gone through a significant change.	Consumers preference for branded and designer products, no compromising on quality and design, raw material cost need to be stable, increasing formalities leading to instability in policy changes.
Expenditure on Research and Development	14% who invest in in-house R&D between Rs. 1 lakh to Rs. 50 lakh. Maximum in-house R&D expenditure is Rs. 4 crores.	26% invest in in-house R&D between Rs.1 lakh to Rs. 10 lakhs per annum. 3% invest between Rs. 51 lakh to one crore per annum.
Export orientation	50% involved in exports	64% involved in exports
Countries exported, product mix	**Countries**-UK, US, Canada, Italy and Germany. **Product mix**- auto fans, fasteners, switch parts, sockets, locks etc.	**Countries-** UK, US, Germany, England, Spain, Finland, Japan, Singapore, Korea, Sri Lanka, Bangladesh etc. **Product mix-** garments, silk sarees, fabrics & jackets and blouses,
Competitors From	Large enterprises with a annual turnover crossing	Presence of competitors

Own Cluster	Over 100 million	
Use of Unique And Indigenous Technology*	60% practice unique technologies. 16% practice indigenous technologies.	73% of the enterprises use unique technologies. 7% of the enterprises use indigenous technologies.
Efforts Taken To Highlight Features/Uniqueness Of Product	Extra department to check quality control, use of hi-tech machinery steel works, customer service, training of staff.	Hi- tech machine & designs, customer services, timeline deliveries, quality control department.
Foreign Collaborations- Financial And Technical	Only 15% have foreign collaborations of which 50% have technical collaborations, 6% have financial collaborations and 43% have both. Very few have R&D networking with China, Hong Kong, Singapore.	Only 6% have foreign collaborations of which 57% have technical collaborations and rest 43% have financial collaborations. Very few SMEs have R&D networks with academic institutions.
Special Features/Unique Technologies	80% view that technology used is a new innovation and as core technology. 90% view that technology used is costly. Technology used is complex and equally hard to be substituted. Technology used is hard to be imitated. 70% say that technology is patented and meet international standards.	60% view that technology used is a new innovation. 40% view that technology used is a core technology. 90% view that technology used is costly. Technology used is hard to be substituted and hard to be imitated. 90% say that technology is patented and meet international standards.
Activities Pursued By Organization	73% have logo identity, only 34% have message associated with either company or products or technology. 50% have identity guidelines. 44% have monitoring systems. 40% have established channels of communication. 52% have association with industry associations and institutions. 42% do not have a website.	36% have logo identity. Only 13% have message associated with either company or products or technology. Only 10% have identity guidelines. Only 18% have monitoring systems. 11% have well established communication channels. 65% have associations with industry associations and institutions. Only 26% have website.
Views About The Products/ Technology	19% feel the absence of dominant competitors. 85% feel unique competitive advantage. 79% are confident of the clear definition of their products. 81% agree on their products' recognition. 72% have	20% feel the absence of dominant competitors. 39% completely agree on having a unique competitive advantage. 31% are confident of their products' clear definition. 46% completely agree on

	separate marketing division. 43% completely agree on their products' new brand identity-logo. Only 39% completely agree that brand messages are clearly communicated.	their products' recognition. 29% completely agree on having a separate marketing division. Only 12% completely agree on their products' having new brand identity-logo. Only 15% completely agree that their brand messages are clearly communicated.
Company Readiness	All companies have company name. Only 32% have separate names for company and products. 64% have company logo. 32% have separate logo for company and product. 62% have visible logo. 58% have website. 59% have separate sales and marketing division. 63% have sales staff or company representatives. 32% have company guidelines laid down. 13% have trademarks and patents on products/technology. 41% participate in buyer-seller meets, exhibitions etc.	All companies have company name. Absence of separate company and product names. 34% have company logo. Only 9% have separate company and product logo. Only 31% gave logo visible. Only 26% have websites. 26% have separate sales and marketing department. 30% have sales staff or company representatives. Only 14% have company guidelines laid down. 23% have trademarks and patents on products/ technology. 32% participate in buyer-seller meets, exhibitions etc.
Annual Average Expenditure	Majority of them incur expenditure between Rs. 50,000 to Rs. 50 lakhs. Very few who spend Rs. 60 lakhs to Rs. 2 crores.	60% between Rs. 1 lakh to Rs.15 lakhs. Very few between Rs. 30 lakhs to Rs. 50 lakhs.
Opinion On Branding	**Relevance**-increases the growth of the business, quality identification, maximize sales, increase market share, higher recognition. **Objective**- increased market share, increase sales and market image and maintain quality. **Constraints**- presence of competitors, imitations, lack of expertise, cost competition etc.	**Relevance**- demand creation, quality of product, means of communication. **Objective**- client networking, entry into international markets, enhance market share. **Constraints-** government policies and regulations, lack of guidelines, fluctuations in raw material prices, increased competition etc.
Support/ Assistance Required From Government For Brand Promotion	Majority refused assistance **Support required**- concession on advertisements, reduction in taxes in industry/service, need for specific guidelines for the industry, loan assistance.	Majority declines assistance. Support required- advertisement costs, support international marketing; reduce exhibition participation fees, subsidy on raw materials.
Benefits Expected from Branding	Reputation and good will	Attract customer segment, international marketing.

Turnover	48% had turnover between Rs. 5 crores to 25 crores in FY 2006-07 as compared to 27% who had a turnover of above Rs. 50 Crores	53% had a turnover of Rs. 5 crores to Rs. 25 crores in FY 2006-07 as compared to 23% who had a turnover of Rs. 52 crors to Rs. 100 crores.
Investment in Plants and Machinery	Only 6% have investment upto Rs. 1 crore. 15% between Rs. 1 crore to Rs. 5 crores. 8% between Rs.10 crores to Rs.20 crores. 22% between rs.20 crores to Rs.50 crores. 34% have investment above Rs. 50 crores.	67% have investment between Rs.1 crore to Rs. 15 crores. 17% between Rs.16 crores to Rs.30 crores. 10% between Rs.30 crores to Rs.50 crores. 6% above Rs. 50 crores.
Domestic vs. Export Sales	58% of the companies have 80% to 100% of their total sales from domestic sales. 5% companies have 80% or more of total sales from export markets.	32% companies have 55% have domestic-only sales. 44% companies have 45% of total sales from export markets.

* Unique technology is defined as technologies existing as the only one in type or characteristics, while indigenous technology is one originating and developed inhouse.
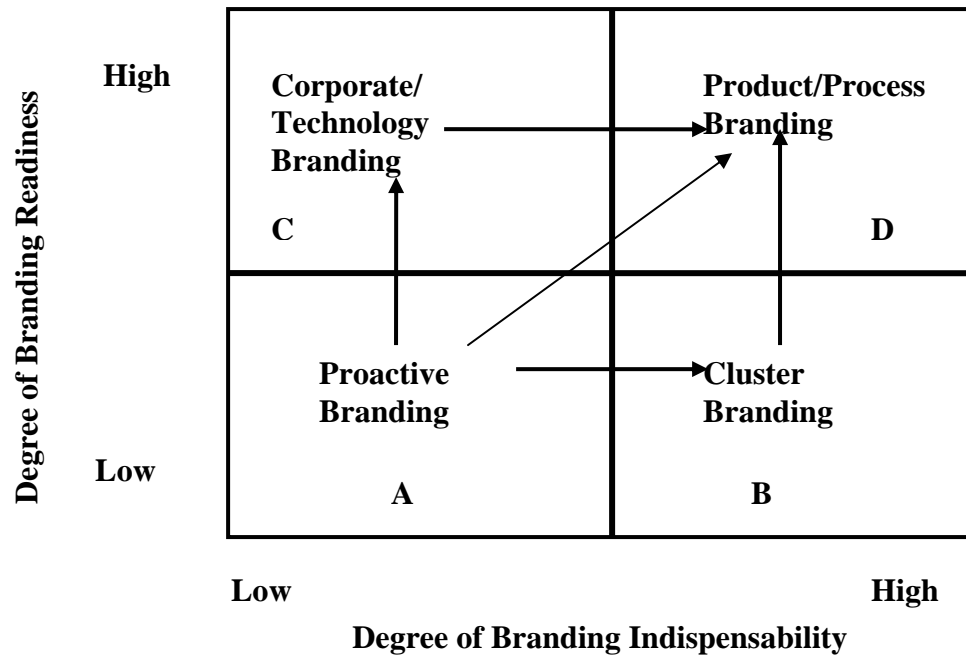
RECOMMENDATIONS AND CONCLUSIONS

The study concludes and recommends a sequential approach to branding strategy that SME's today need to look at a strategy which is phased and is built over time and investment done in parts. The outcomes of the pilot study of the five sectors and the indepth field study of the two sectors selected from the conduct of the pilot study reveals that the branding activity in general across clusters are at a dormant stage or is not visible at all. SME's either carry a perception that the process of branding is expensive, or it is not relevant or they have no direct information on the subject to pursue some kind of branding activities. In some cases, though respondents do carry out some kind of branding activities, but in the final run up they are unable to relate that to some kind of results.

The study, both from the desk research and the field study perspective has tried to outline the activities as part of the branding efforts. However, from the SME point of view how does one go about adopting and integrating such activities into their business operations is a major recommendation to this study. It adopts from the **Wong and Merrilees (2005)** study, which developed the three kinds of activities for any firm based on the level of branding orientation of companies. **Wong & Merrilees (2005)** conducted study on SMEs of **Australia** by opting case study method. Eight cases were selected for study and SMEs were selected from services industry to have some control over the industry context as shown in Figure 1 above.

On the basis of the study, the branding archetypes identified are, minimalist, embryonic and integrated as illustrated in Figure 2 above. Based on the **Wong and Merrilees (2005)** and the findings of the field study were to be integrated into the kind of branding activities pursued by Indian SME's, it also illustrates a similar viewpoint about the ways in which the activities can be categorized. If one were to now consider Figure 3, the activities of the SME's are clustered in the four cells as: Proactive branding, Corporate Technology Branding, Product process branding and Cluster branding. The study recommends a 4 x 4 matrix format to the entire approach.

Figure 3: "Readiness-Initiatives" Matrix

Degree of Branding Readiness

High

| Corporate/ Technology Branding | | Product/Process Branding |
| C | | D |

| Proactive Branding | | Cluster Branding |

Low

A   B

Low   High

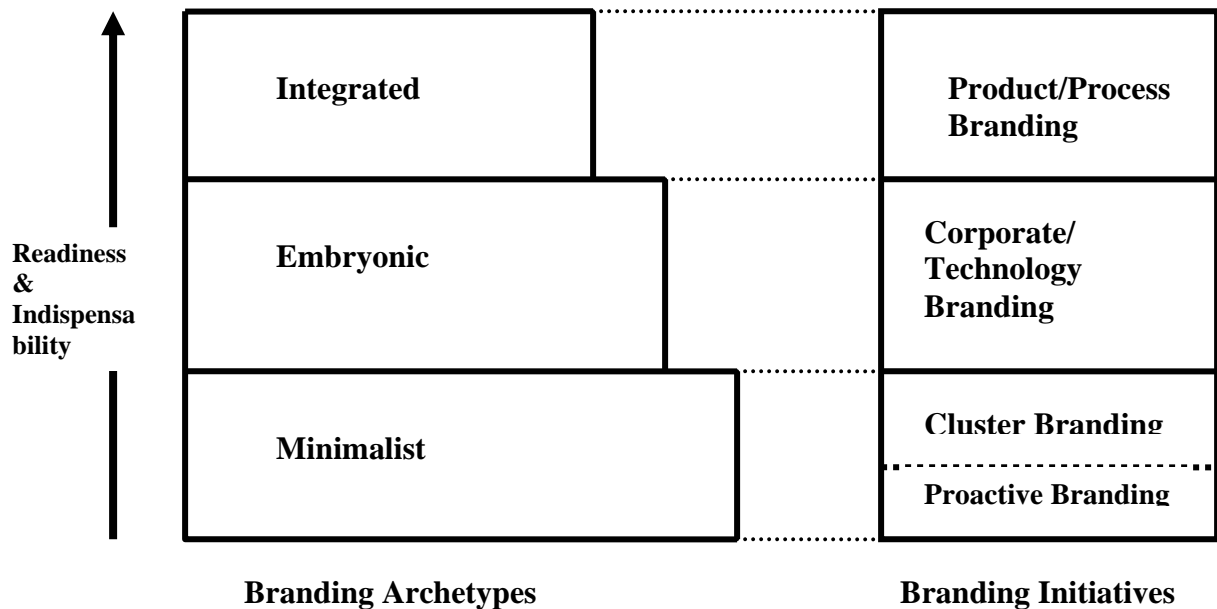**Degree of Branding Indispensability**

As per the figure most SME's are today in the proactive branding stage where the degree of branding indispensability is low and the degree of readiness is also very low. This is illustrated in the cell A. From Cell A, SME's have two options to consider. Either, they move to Cell B or to Cell C. Currently, as there has been a major clusterisation in the industry and most SME's prefer to remain together, it becomes imperative that the SME's look at marketing the clusters and in the process they stand to gain. For instance, in the field study conducted for this research the clusters of Chennai, Surat or Coimbatore were covered, which represents the sectors and the competency they project in it. However, in the long run the strategy will not be feasible as collectively they may stand to gain, but individually the SME will be unable to project himself. This would lead to long term losses in markets and prices. At this stage, SME's have to also look at branding activities concerning themselves, hence moving from Cell A to Cell C should be a simultaneous step, towards Corporate/Technology branding. In this Cell he will try to develop his name or the corporate name and alongwith it try to establish the technology in the market. The technology may be indigenous or unique, in which case he stands to gain even more and can be highlighted better. The kind of activities that he

must now target is focus on the development of company name, logo and other collaterals that helps to establish his company. Simultaneous efforts to be made also made with establishing the technology also. Finally, the SME's last endeavour has to move from Cell C to Cell D, where the company can be in a position to brand his product and process. At the same time if the cluster branding approach is adopted it helps the SME's to establish the product or the process of the cluster for which it is known and that kind be established as a name which has a specific cluster origin.

The activities listed under the minimalist, embryonic and technology is now integrated in the four cells and Figure 4 illustrates the three tier approach to the process of proactive branding. According to **Wong, & Merrilees (2005)** the activities listed in the three stages branding types will help the SME's move from Cell A to Cell C or Cell B and finally Cell D. There is a hierarchy that gets formed when the activities are listed as low to high as shown in Figure 4.

SMEs are expanding fast in recent times. Developing a global brand image through nurturing fragmented brands, processes or corporate names ensures advantages like economies of scale in marketing cost, lower complexity in functioning and low entry barriers.

Figure 4:'Archetypes -Initiatives Fit' Model

Integrated	**Product/Process Branding**
Embryonic	**Corporate/ Technology Branding**
Minimalist	**Cluster Branding**
	Proactive Branding

Readiness & Indispensability

Branding Archetypes   **Branding Initiatives**

In this context, this study will guide potential SMEs where branding strategy may be practiced in a standardized or customized manner. However, the proposed verbal model is generic in nature and may be applied to different sectors in different countries. One of the significant aspects of the model is to guide how the SMEs have to be geared themselves for the incorporation of the branding exercises. SMEs need to start thinking, planning and investing on a long-term basis in key areas such as customer service, company expertise, its employees, its values and guiding principles that are essential in defining their brand vision and strategy. The aspect of integrating the branding elements is merely not about putting a name but a process of internalization within the organizations and evaluates the readiness of them.

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CHAPTER 1

INTRODUCTION

Technology branding in high-tech companies has always been a prevalent concept, but for technology branding in SME's the coverage has been relatively sparse. Especially in the Indian context, branding in the SME sector for technology based companies has been nearly absent. However, unlike the high tech companies, where the main focus has been in the retail sector, the need for branding is inherent. The pressure to compete with other brands and to create a differentiator for oneself has somewhere been a motivation and cue as "need for branding". However, in SME companies most cater in the industrial markets, where the focus is on industrial buyer and limited base of consumers. Hence, relationship and prices really drives the market.

Does it actually mean that, branding is not relevant for the SME companies? Today, with increasing number of players adding onto the sector, changing demand of buyers, increased expectation of the export markets, all adds upto SME's having to re-look at the conventional way of doing business. There is also another side of the story, where the perception about branding and related activities being thought off as an expensive proposition and common misnomer being that branding requires heavy investment through advertisements and other publicity measures. This means that most participants to the discussion also do not carry the right definition and meaning of what branding is all about.

However, before moving further, it is relevant to discuss the SME scenario, and more specifically in the Indian context.

1.1 Nature of SME

In both developing and developed countries, promoting small and medium-sized enterprises is one of the most viable strategies for achieving national development goals such as economic development, strengthening the industrial base, and local production structure **(Hallberg, 2000).** SMEs represent a sector of growing importance and play an important role in the growth of emerging nations especially with regards to providing

employment and driving economic development **(Kula and Tatoglu, 2003).** The small business sector has become more important as they emerge as a dominant force impacting the growth of national economies **(Shridhar, 2006).** According to **World Bank Report (2002, 2004**), there are three crucial functions of SMEs as the engine of growth in developing countries. *First, SMEs enhance competition and entrepreneurship and therefore, have external benefits on economy wide efficiency, innovation and aggregate productivity growth. Second, SMEs are generally more productive that Large Enterprises (LE's), but the financial market and other institutional failures and non conducive macroeconomic environmental aspects impede SME development. Third, the expansion of SMEs boosts employment more that LEs' growth because SMEs are more labor-intensive.*

Export orientation has a direct impact on SME growth and profitability (**Ibesh, 2004; Roper, 1999).** Firms may export to avoid stagnating because of limitations inherent in the local market **(Kazem, Heijden, 2006).** Small and medium-sized enterprises substantially contribute to country exports around the world (Fletcher, 2004). Small-scale businesses can play an especially crucial role in export and employment generation in developing countries **(Arinaitwe, 2006).**

1.2 Marketing in SMEs

No definition of marketing for small and medium sized enterprises (SMEs) can be readily found in the literature and those attempts at definition or discussion often link marketing with entrepreneurial behaviour **(Carson et al., 1995; Reynolds, 2002).** According to **Carson et al. (1995),** the discipline of SMEs is broadly based in management, marketing and enterprises and these are unique and different to traditional marketing in large firms **(Carson and Cromie, 1990).** It was viewed that an SME-specific version of marketing mix borrowed from traditional marketing 4Ps can guide the SME thinking and doing business **(Carson and Gilmore, 2000).** SME marketing in practice is thought to be largely done though networking **(Gilmore et al., 2001);** a combination of transaction, relationship, interaction and network marketing **(Brodie et al., 1997);** through the use of Internet marketing **(Chaffey et al., 2000**) or e-commerce **(Rayport and Jaworski, 2001**).

Further, from their study on SMEs, **Sashittal and Tankersley (1997)** have found that market planning and implementation are highly related. Further, **Leonidou (2004)** viewed those internal barriers like informational, functional and marketing barriers crucial behind successful internationalization of SMEs. The reviewed literature reported similar problems at several occasions: bad image of products in the foreign market and insufficient foreign demand (**Cardoso, 1980; Gereffi 1992),**
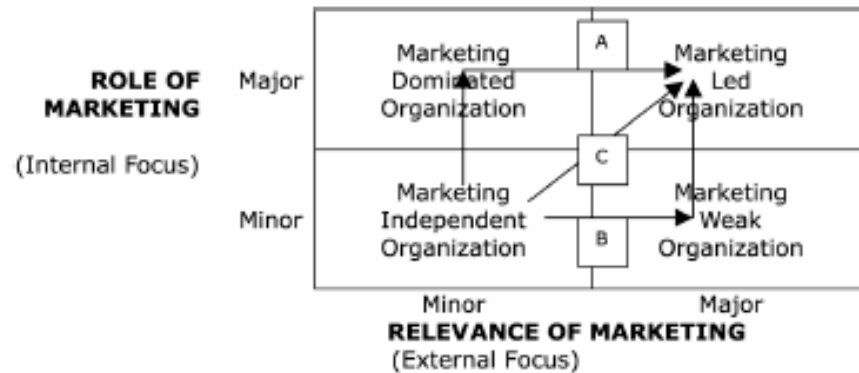
The role and relevance model of marketing in SMEs has been described in theory elsewhere **(Simpson and Taylor, 2002).** The basic descriptive matrix (Figure 1.1) gave rise to a new typology of SMEs based on the internal organization for marketing activities (i.e. the role of marketing) and the demands of the external competitive business environment (i.e. the relevance of marketing).

The model is the closest to the SME's actual scenario today. According to profounders of the theory, there are two aspects of marketing. On one hand, the need for marketing is inherently generated within the organization and the second, where the external environment dominates the need for marketing. Where the role of marketing is major, in other words, inherently felt need of the organization to go for aggressive marketing, it can be a marketing dominated or marketing led organization. Sectors where the external pressure for marketing is high due to enhanced competition or because the demand side pressures are high, leads to the organization's focus on marketing.

Figure 1.1

		Marketing Dominated Organization	Marketing Led Organization
ROLE OF MARKETING	Major		
(Internal Focus)			
	Minor	Marketing Independent Organization	Marketing Weak Organization
		Minor	Major

RELEVANCE OF MARKETING
(External Focus)

Source: Adapted from Simpson and Taylor (2002)

RELEVANCE OF MARKETING
(External Focus)

Source: Adapted from Simpson and Taylor (2002)

1.3 Present Scenario of Indian SMEs

SMEs in India have traditionally been present for a long time and especially the India growth pattern has had a large contribution from this sector. Sometimes acting as feeder to the larger industries (auto components), sometimes operating as clusters to push for the entire sector (Handloom/Handicrafts/Textiles) or sometimes the entire sector contributing immensely towards the growth (electrical/electronics/software) have thrown enough instances of success. Some of the larger organizations today, across sectors have also started with the SME story, eventually to move on for bigger investments. A Delhi based company Havell's is one such story, where the brand has had a phenomenal rise, particularly in the last five years (aided by the growth in real state and construction industry).

In India, industries having investment in plant and machinery less that Rs. 10 million are called small-scale industries (SSI). There is no formal definition for medium scale industries but according to some studies, industries having investment between Rs. 10 million and 1000 million in plant and machinery are termed as medium scale industries, (MSI) **(Karandikar, 1999).** In India, while small enterprises are clearly defined, there is no clear definition of medium enterprises (FICCI 2002). The official category that corresponds to small enterprises is that of small-scale industries, or SSIs. An SSI unit is broadly defined in terms of value of investment in plant and machinery. At present, a unit which has investment in plant and machinery up to Rs.10 million is defined as an SSI unit (NCAER 2001). A unit with an investment of up to Rs. 2.5 million came into effect from October 2, 2006, define SMEs on the basis of investments in plant and machinery.

For enterprises engaged in the manufacture of goods:

Micro - Investment in plant and machinery is considered a tiny enterprise. In the case of service and business enterprises, the investment limit is Rs. 1 million for fixed assets excluding land and buildings (www.smallindustryindia.com).

- The Micro, Small and Medium Enterprises Development Act, 2006, which machinery less than Rs. 2.5 million.
- Small - Investment in plant and machinery over Rs. 2.5 million but not exceeding Rs. 50 million
- Medium – Investment in plant and machinery in excess of SSI limit but less than Rs. 100 million

For enterprises engaged in providing or rendering of services:

- Micro - Investment in equipment not exceeding Rs.1 million
- Small - Investment in equipment over Rs.1 million but not exceeding Rs.20 million
- Medium – Investment in equipment is in excess of SSI limit but less than Rs.50 million

(Source: www.dnb.co.in/SMEstextile/smes.asp)

SMEs always represented the model of socio-economic policies of Government of India which emphasized judicious use of foreign exchange for import of capital goods and inputs; labour intensive mode of production; employment generation; non-concentration

of diffusion of economic power in the hands of few (as in the case of big houses); discouraging monopolistic practices of production and marketing; and finally effective contribution to foreign exchange earning of the nation with low import-intensive operations. It was also coupled with the policy of de-concentration of industrial activities in few geographical centers. It can be observed that by and large, SMEs in India met the expectations of the Government in this respect. SMEs developed in a manner, which made it possible for them to achieve the following objectives:

- High contribution to domestic production
- Significant export earnings
- Low investment requirements
- Operational flexibility
- Location wise mobility
- Low intensive imports
- Capacities to develop appropriate indigenous technology
- Import substitution
- Contribution towards defense production
- Technology – oriented industries
- Competitiveness in domestic and export markets

At the same time one has to understand the limitations of SMEs, which are:

- Low Capital base
- Concentration of functions in one / two persons
- Inadequate exposure to international environment
- Inability to face impact of WTO regime
- Inadequate contribution towards R & D
- Lack of professionalism

In spite of these limitations, the SMEs have made significant contribution towards technological development and exports. SMEs have been established in almost all-major sectors in the Indian industry such as:

- Food Processing
- Agricultural Inputs
- Chemicals & Pharmaceuticals
- Engineering; Electrical; Electronics
- Electro-medical equipment
- Textiles and Garments
- Leather and leather goods

- Meat products
- Bio-engineering
- Sports goods
- Plastics products
- Computer Software, etc.

(Source: MITCON Study)

It has been estimated that there exist about 350 SME clusters in India. These clusters are overwhelmingly predominant with small industries and the share of medium and large industries in the sales turnover, production and employment is nominal. The size in terms of the number of units and the quantum of output of clusters may vary significantly. Figure 1.2 illustrates 128 clusters located across the country in terms of the product that they represent, product wise.

Figure 1.2

Table : 5	Classification of Clusters by Industry Group		
S.No.	Industry Group	NIC Code	No. of Clusters
1	Machinery & Parts except electrical	35	20
2	Cotton Textiles	23	15
3	Chemical & Chemical Products	31	14
4	Metal Products	34	13
5	Hosiery & Garments	26	10
6	Food Products	21-20	9
7	Non-metallic Mineral Products	32	9
8	Electrical Machinery & Parts	36	8
9	Wool, Silk & Synthetic Fibre Textiles	24	8
10	Transport Equipment & Parts	37	7
11	Others 8 Categories	Several	25
	Total		138

(Source: http://www.unido.org/userfiles/RussoF/Small.pdf)

The growth rate of Indian SMEs in recent years is shown in Figure 1.3. Between 2002 and 2006, production increased by more than 50 per cent; exports by about 45 per cent;

and employment by about 13 per cent. The number of registered SMEs grew by about 18 per cent, and that of the unregistered by about 12 per cent.

Figure 1.3

Year	No. of units (million)			Production (Rs. million) current prices	Employment (million)	Exports (Rs. Million)
	Registered	Unregistered	Total			
2002–03	1.591	9.358	10.949	31,19,930	26.021	8,60,130
2003–04	1.697	9.698	11.395	35,77,330	27.142	9,76,440
2004–05	1.753	10.106	11.859	41,82,630	28.257	12,44,170
2005–06	1.871	10.471	12.342	47,62,010	29.491	NA
Growth (%)	17.60	11.89	12.72	52.63	13.34	44.65

(Source: Partha Sarathi, B. (2007), 'State Government's Proactiveness must for Growth of SMEs, DNA Money, Indore', www.dnaindia.com.)

The Product Group Matrix

There are about twenty-one major industry groups in the small scale sector. These are listed below:

- Food Products
- Chemical & Chemical Products
- Basic Metal Industries
- Metal Products
- Electrical Machinery & Parts
- Rubber & Plastic Products
- Machinery & Parts Except Electrical goods
- Hosiery & Garments
- Wood Products
- Non-metallic Mineral Products
- Paper Products & Printing
- Transport Equipments & Parts
- Leather & Leather Products
- Miscellaneous Manufacturing Industries
- Other Services & Products
- Beverages, Tobacco & Tobacco Products
- Repair Services
- Cotton Textiles
- Wool, Silk, Synthetic Fibre Textiles
- Jute, Hemp and Mestas Textiles
- Other Services

A survey of indices of industrial production (IIP) maintained for these major industry groups reveals what the sunrise industries are and on what segments the sun has set. SSI

units produce an amazing variety and type of products. Over 7500 products are known to be manufactured in this sector. Even in a particular product, there would exist a wide range of qualities or specifications catering to different market segments, particularly in consumer/household products. Small Scale sector has emerged as a major supplier of mass consumption items like:

- leather and leather goods
- plastic and rubber goods
- ready-made garments
- hosiery goods, sheet metal goods
- stationery items - soap and detergents
- domestic utensils
- toothpaste and toothpowder
- safety matches
- preserved foods and vegetables
- wooden and steel furniture
- paints and varnishes etc.,

Among the sophisticated items mention may also be made of:

- television sets
- calculators
- microwave components
- plastic film capacitors
- carbon film registers
- electromedical equipments
- electronic teaching aids
- digital measuring equipments
- air-conditioning equipments
- optical lenses
- drugs and pharmaceuticals
- electric motors
- pesticide formulators
- photographic sensitised paper
- razor blades
- collapsible tubes, etc.

(Source: http://www.laghu-udyog.com/ssiindia/spgxx01x.htm)

1.4 SOME KEY TAKEOUTS :

As a summarization of this chapter, it is increasingly becoming evident that the branding in technology companies (particularly in the Indian context) has so far not been visible. This could be owing to:

1. The company does not realize the need for branding
2. The company has a negative impression of what branding is actually all about
3. The company has a wrong impression of what branding activities actually entail to

In all these three scenarios that branding for whatever reasons has not been implemented by the companies. However, that does not mean it has no importance for the organization. Infact, for SME's who have very distinct value chain (tiers) in the system, they become all the more relevant to adopt. The fact that branding's first step starts with a name and a logo of the company, may all be having, but to take that further and market/publicise it may not have been done. Organisations, when operating in a cluster need to create differentiators which may emerge out of a product related or non product related descript. Non-product related might be on price, imagery or features. For SME's it would be difficult on product or price, as most have homogenous technology and there is very little room for price undercutting, as they operate on thin margins. In such a scenario, the brand related activities can be considered. The sequence works as follows:

1. The process of putting a name/logo to the product, company and if possible to the technology use
2. Use of the company name and logo in all collaterals used by the company as a point of communication
3. Use of the product brand name and logo as a supplement in all collaterals and specification sheets wherever the company uses the reference of the technology while communicating with external stakeholders
4. The technology if indigenous or unique in nature must have a name to it, especially if there are substantial R&D investments made to it
5. Website as a point of communication with all external and internal customers, is a reality that cannot be ignored by SME's

These sequences are mere starting points, some of which is done informally and probably not religiously at the SME's end. What would be advisable, to make the whole sequence a continuous effort and with a mechanism to evaluate.

The study while being undertaken showed a clear lack of some of the points mentioned above. Either in some cases they were completely not adopted or ion some cases there was a case ad-hocism in the whole approach. The study tries to list a possible action points that can be developed as a starting point where from the SME's can atleast make a start and then on have templates to compare with the activities pursued by them.

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CHAPTER 2

RESEARCH METHODOLOGY

2.1 Need for Study

Though Indian technology based SMEs are showing a positive growth over the years, presently a major portion of industry is performing as a commodity. In a competitive field success of a product it depends largely on its top of the mind recall by its target audience. Any movement as a commodity normally creates a situation where a product category may lose its identity in the midst of clutter of brands. In this scenario, it is important to study branding opportunities of technology-based small to medium-sized enterprises (SMEs) as these players are competing in the global marketplace. Present global competition has made it mandatory for manufacturers of this industry to come out of their cocoon of conservative business procedures and transform themselves as per the need of changing market's, tastes and preferences. Branding can be crucial to a firm's long-term success. The branding process is especially important for SMEs that wish to become players outside their domicile. It is furthermore important to determine which among many variables and processes affect success in branding.

The study is an attempt to understand the need for branding and why the SME's need to specifically consider it more seriously. Typically, companies which operate in markets of high clusters (large number of buyers and sellers) and with very few product differentiators, the need for branding becomes even more imperative. In technology companies the need is all the more of a requirement because they usually work in markets where the scenario is quite similar to the one mentioned above. It, therefore, tries to look at the market from the context of:

1. Current situation analysis

2. Need for branding

3. Limitations to branding

4. A workable model for SME's to apply for integrating branding as a road map to success

2.2 Objective of the Study

The study aims to achieve the following objectives:

<u>Building the Brand:</u>

- Examining the buyers' and manufacturers' mindset and readiness stage.

- Analyzing problems relating to branding

- Identifying potential items for branding

<u>Communicating the Brand:</u>

- Exploring role of distribution behind branding.

- Identifying the scope of communications to incorporate branding strategy

- Analyzing the customer value proposition and loyalty of the relationship

<u>Nurturing the Brand:</u>

- Formulation of specific guidelines for brand building

- Strategic, tactical, and operational elements of brand building

2.3 Terms of Reference

Conduct literature review on global best practices in SME Branding to understand various issues faced by SMEs at the time of brand management. Existing branding strategies and underline grey areas are to be identified to chart future course of actions.

1. Exploring secondary sources to study five important sectors of technology based Indian SME. Objective is to understand their present practices in connection of Branding. Findings to be compared with global best practices to draw strategic road map for branding.

2. Develop parameters to identify two most important sectors of technology based Indian SMEs on which detail work will be done in the context of the study. Parameters are to be selected in line with global best practices to maintain uniformity with global best practices.

3. Conduct cross mapping of parameters with sectors to zero down on two selected sectors. Two most important sectors will be selected after mapping parameters with primarily selected five sectors to figure out two most potential and strategic sectors for branding.

4.   Identification and study of primary sources for validation of point 1& 2. Primary work will be done after taking samples from two selected sectors and an in-depth study will be conducted to validate point 1 & 2.

5.   Sector wise classifications and analysis will be done under different parameters to evaluate Industry readiness stage in terms of branding practices.

6.   Formulating sector specific brand building roadmap after considering strategic, tactical and operational elements.

2.4 Research Methodology

The study is divided into three distinct segments:

Part A: Secondary Literature Review

This part consists of the detailed secondary literature review. Scouring journals, literature and other published materials through the web and library support. This section has also generated the list of the parameters which are considered effective in judging the level of intensity of branding in any given organization and the related sector. The parameters are applied onto the identified sectors, where traces of branding and related activities are visible. The sector selection has also been done on the basis of the intensity of branding and it stems from the 138 clusters discussed in the earlier chapter. A discussion with the DSIR team also was undertaken to identify the sectors.

A complete list of referred journals and other published sources are mentioned in references section.

Part B: Pilot Study

After the completion of the secondary literature review, the second part involved the first of the field study component. The outcome of the secondary literature review and also comparing that with the terms of reference, the second part of the study involved identification of the sectors where the study would be conducted to identify the intensity of branding. The five sectors identified for the study, where branding intensity is relatively higher:

1. Textiles

2. Auto Components
3. Software
4. Hardware
5. Electrical and Electronic

The pilot study involved selection of five sectors mentioned above in which an in-depth study would be conducted. Based on the outcomes of this study the final two sectors would be selected wherein an in-depth study would be conducted. The sample questionnaire is attached as Annexure 1 of the field study undertaken for the five sectors. The data base is attached as Annexure 2 for reference, which was covered. The database or the sample profile selected was an outcome of cluster sampling based on the MSME guidelines. The guidelines referred to the investment in plant and machinery as follows:

- The Micro enterprises which has machinery less than Rs. 2.5 million.

- Small enterprises which has investment in plant and machinery over Rs. 2.5 million but not exceeding Rs. 50 million

- Medium enterprises which has investment in plant and machinery in excess of SSI limit but less than Rs. 100 million

After the selection of the sample has been done on the basis of investment in plant and machinery the next step was developing the second filter for selection, which was based on industry turnover. Based on discussion with sponsors and external experts, the filter assigned were as follows:

- The Micro enterprises having a turnover of 50 lakhs
- The Small enterprises with a turnover of 1 crore
- The Medium enterprises with a turnover of 5 crores

In addition to the above the parameters for selection are investment in Plant and Machinery, which are as follows:

- The Micro enterprises having an investment of 25 lakhs in Plant and Machinery
- The Small enterprises having an investment of 50 crores in Plant and Machinery
- The Medium enterprises having an investment of 100 crores in Plant and Machinery

While undertaking the final field study also the same filters were used for the study.

Part C: The field study

The last part of the study entails to in-depth study of the two sectors that emerge out of the pilot study, which involves covering the five sectors. The filters developed out of the Part A of the study were intensively run through the two finally selected sectors for a final analysis.

The third part of the study involved the primary study of the two selected sectors from the pilot study, textiles and auto components, based on the intensity of branding pursued within the sector and the parameters listed in the Chapter 3 of the study. Also the pilot study was able to reflect on the kind of branding activities being pursued across the five sectors based on which the two sectors were identified.
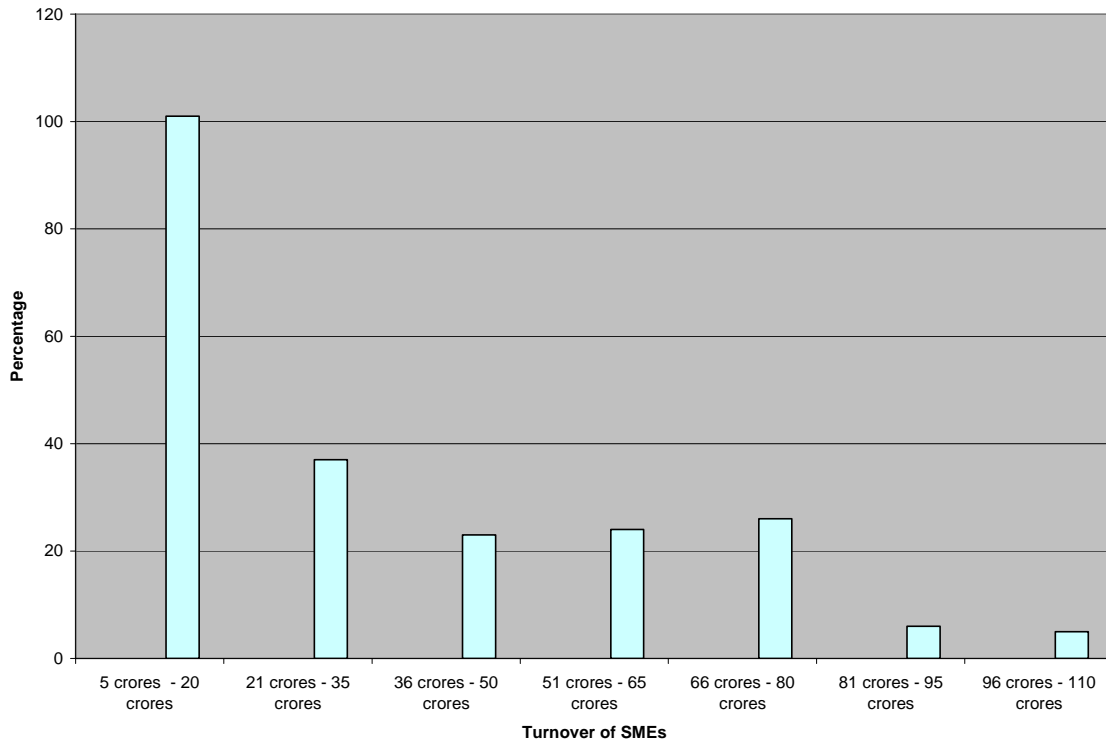
Sample size:

The total sample size for the two sectors were 222, comprising of 110 for textiles and 112 for auto components. (List of respondents covered are attached in Annexure 3)

Sample profile:

The sample profile where two manufacturers from within the sectors, with the following selection criteria:
- The Micro enterprises having a turnover of 50 lakhs.
- The Small enterprises with a turnover of 1 crore.
- The Medium enterprises with a turnover of 5 crores.

Figure 2.1 represents a graphical presentation of the sample class intervals.

Sampling techniques:

Cluster sampling was used to identify the sample profile and then random samples were covered as a part of the study.

Field of the study:

The field of the study was as follows:

1) For Auto components: Delhi & NCR, Pune and Chennai.

2) For Textiles: Delhi & NCR, Surat and Coimbatore

Method of data collection:

Structured, disguised questionnaire was used as a part of the study, attached in Annexure 4.

Limitations of the study:

The study tries to cover as exhaustively as possible the sample but coverage is not fully possible owing to the geographic limitations.

Future scope and coverage:

The scope of the study will entail to developing a workable model to illustrate the cluster in which the intensity of branding activities can be spotted and how the respondents when classified into the clusters are able to rationalize the process of branding activities required to reach a threshold level.

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CHAPTER 3

REVIEW OF SECONDARY LITERATURE

3.1 Branding Concept: Need and benefits

A brand is defined as a "distinguishing name and/or symbol (such as logo, trademark, or pack design) intended to identify the goods and services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors" (**Aaker, 1991**)

According to **Hiscock (2001),** ultimate goal of marketing is to generate an intense bond between the consumer and the brand. **Fournier (1998)** describes the relationship between consumers and brands as a multifaceted construct to capture the richness of fabric from which brand relationships arise. The brand concept goes beyond the product concept. A product delivers certain tangible benefits but a brand offers both tangible and intangible benefits. The branding principles of a firm guide it to develop the possible structure on which firms seek to build their brands. Over the years a firm develops its brands on the basis of some postulates and these help them to create their own brand heritage. **Miller (1995)** has rightly admitted that the development of marketing and consumer behavior theories stems out of the consumer-brand relationship, in main.

Arnold (1992) suggested that it is important to mange the whole brand, not managing separate elements of the marketing mix in isolation. Brand management offers a holistic view of firm's marketing practices. **Mosmans (1996)** argues that a brand can be considered as an integrated marketing idea driving the business. **Keller (1993, 2003)** presents a cognitive view of brands in terms of what consumers know about the brand and the implications for marketing strategy. Brand dominated marketing strategies involve a more symbolic communication process between the business and its customers **(Ringberg and Gupta, 1993; Michell et al, 2001). Capon (2001)** argued that senior management should be responsible as the custodian of brands.

In the final context, brand, branding and brand management remains a systematic process of looking at marketing practices. Brand is a name, a term, sign or symbol to identify

and differentiate a product or services **(American Marketing Association),** branding is the process of assigning a name and brand management is about building, measuring and managing brand equity **(Keller)**.

Branding Orientation: Process and activities

An effective brand management system largely deals with brand perceptions, brand loyalty, brand knowledge, brand differentiation, brand equity, brand awareness, brand proliferation and brand image **(Aaker, 1996; de Chernatony, 1992; Keller, 2003).** However, what remains critical is about sustaining brands and making it relevant over time. Today, when we consider some of the hi-tech companies and their brands, we find that consistent innovation and offering value addition to the customer remains at the heart of the brand. It is often considered of branding a misnomer that it is a substitute for marketing. But, that can never be case, since branding remains an integral part of marketing and especially in the process part it is even more relevant.

3.2 Branding in SMEs

In the context of SME's branding and need for branding has been something of a "perceived luxury" and the pressure to brand. As most SME's are in the business to business markets, the retail market dynamics do not pose problems for the SME's. However, in cases where the SME's have moved to the retail markets, the need for branding and branding activities is more pronounced. Typical example of this, the food processing industry, where the entrepreneurs start as feeders to the large brands and gradually move to retail markets with a local approach. The other problem with SME branding has been the perception of branding activities being considered an expensive proposition, typically related to advertisements, publicity and other kinds of large investments.

Aaker (1996) argues that top management should pay more attention to a brand, and suggests that development of a brand strategy should be concurrent with the development of a business strategy. It was revealed that for SMEs, branding as a philosophy was a radically new concept. In a given SME, sales departments existed; almost no organization

had a marketing department. Stakeholders in SMEs tended to be the top team or family owner, the staff and, only distantly, the customer base. Time was the key commodity. They are swamped by the crises of the day and unable to implement the bold, long-term thinking called 'corporate branding'. [*Extract from interviews with CEOs of B2B organizations and from the synthesized findings from eight (five hour) workshops with 15 CEOs of SMEs(annual turnover ranged from £300k to £45m) in each.*] (**Inskip, 2004**) **{Irene Inskip, BRAND MANAGEMENT VOL. 11, NO. 5, 358–365 MAY 2004}**

SMEs need to appreciate that branding is more than just a nice logo, printed stationery and a good reputation; long-term benefits can accrue if the branding process is handled properly and outsiders can help, particularly in the translation of an owner vision into a brand concept as SMEs often have problem in structuring what they want to say about themselves (**Inskip, 2004**). **{Irene Inskip, BRAND MANAGEMENT VOL. 11, NO. 5, 358–365 MAY 2004}**

Brand strategies require large investments in media communications (**Aaker 1991**), the costs of which may even grow in the future because of increasing media costs (**Urde, 1994**). SMEs lack the financial resources and 'share of voice' to have much of an impact, suggesting a limited role of branding for them (**Wong, & Merrilees, 2005**) **{A brand orientation typology for SMEs: a case research approach, Journal of Product & Brand Management, 2005 Volume: 14 Issue: 3 Page: 155 - 162}.**

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Based on the study **Wong, & Merrilees (2005)** identified four critical constructs, namely brand orientation, brand barriers, brand distinctiveness and brand-marketing performance. ***Brand orientation*** is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands (**Urde, 1999**). ***Brand distinctiveness*** provides a direction for planning and a guide for implementation (**Wong, & Merrilees, 2005**). ***Brand barriers*** based on the inference that many SMEs perceive they have time and resource constraints to conduct branding activities. **So, to them, it is more or less 'cost' rather than 'investment'.** ***Brand -marketing performance*** may be evaluated by

looking into its financial value **(Feldwick, 1996),** or on its equity **(Aaker, 1996),**or through brand report card **(Keller, 2000),** or on brand building process **(de Chernatony, 2001)** or a combination of all (**de Chernatony, 2001).**

This study reveals that the theory identifies the ladder of SME brand orientation, moving from minimal brand orientation, to embryonic brand orientation to integrated brand orientation. Further, it is suggested that most SMEs will be on the lower steps of the ladder. **{A brand orientation typology for SMEs: a case research approach, Journal of Product & Brand Management, 2005 Volume: 14 Issue: 3 Page: 155 - 162}.**

3.3 Branding in Technology based SMEs

In business to business organizations the overriding focus of the senior team was on the product, service or technology they sold, the nurturing of existing customer relationships, and price. Indeed, in technology-based companies, this was particularly acute, shown in the belief that the best products/services based on the best technology will sell themselves and that corporate branding was unimportant **(Tickle, Keller and Richey, 2003) {Tickle, P. Keller, K. L. and Richey, K. (2003) 'Ten guidelines for branding in high tech markets',** *Market Leader***, Autumn}.**

In technology based SME's branding may not seem to have relevance to owners as they feel that technology per se will remain the overriding factor and will create its own niche. However, when one was to evaluate the SME's, especially a cluster the product differentiator, on technology, is absent. The differentiation is based on relationship, trust and the price (the most common premise) that governs the market. These factors put pressure on the system to aggressively pursue branding activities.

3.4 Cluster Branding approach

Most of the growing interest in clusters draws from the work of Alfred Marshall(1920) who developed the notion of "industrial districts" as agglomerations of firms operating in one industry sector in a well-defined and relatively small geographic area. The concepts-clusters, industrial districts, innovative milieu, and technology districts- are often used almost interchangeably despite having origins in different conceptual contexts (Newland

2003). Enright (1996) defined a cluster as a group of business enterprises and non-business organizations whose membership within a group is an important element of each member firm's individual competitiveness. Binding the cluster together are "buyer-seller relationships, or common technologies, common buyers or distribution channels, or common labor pools" (Enright 1996:191). Porter (1998:15) defined a cluster as "an array of linked industries and other entities important to competition." Porter's main point on what differentiates clusters from historical intellectual antecedents and more recent theories of agglomeration is that clusters comprise a multi-organisational firm that play a key role in *competition* and have a strong influence on market economies. The preceding definitions of clusters are general, with several types of potential relationships among firms (e.g., buyer-seller, direct competitor, indirect competitor, and affiliated firms), all of which contribute to some of the conceptual confusion with the cluster construct.

There is generally an element of chance in the origin of a particular geographical cluster of firms (Rauch 1993). Clusters may originate from one successful start-up, giving rise to a pattern of spin-offs (Maarten de Vet and Scott 1992), or as suppliers to a successful dominant firm, or in response to other opportunities or initiatives. In some cases, the clustering of firms in a particular location is a function of proximity to an original large customer or large market, a focal entity (Jacobs and de Man 1996), such as the tourist or entertainment cluster that has developed to serve Disney World patrons near Orlando, Florida (Archer 1997), and financial services near the stock exchanges in New York City (Porter 1998). In some cases, the clusters may evolve into a more pronounced vertical logic over time with tiers of suppliers serving the final market, as when groups of tier 1, tier 2, and tier 3 automotive suppliers of materials, parts, and services cluster around a large automobile manufacturing facility. In other case, clusters form because of (1) a tie to a physical resource found in a particular region, such as coal fields and steel mills in Pennsylvania; (2) labor with a unique skill or experience set, as in the historical clustering of immigrant furniture craftsmen in Grand Rapids, Michigan (Carron 1998); (3) abundant, low-cost labor and lumber resources for furniture manufacturing in western North Carolina (Rosenfeld 1997); (4) favorable climatic and soil conditions for grape growing in the Napa Valley region of California (porter 1998); (5) telemarketing firms' exploitation of preexisting fiber-optic telecommunications cables used to support the

Strategic Air command in Omaha, Nebraska (porter 1998); and (6) coastal Connecticut's cluster of maritime firms in proximity to three deepwater ports (Connecticut Maritime Coalition 2000). Clusters that form around key geographically restricted resources often result in several like-competitors grouping in the same region to access the resources.

A cluster has both industrial and geographical dimensions too, therefore some of the localized economic effects are the result of industry growth and profit characteristics, which tend to track an industry life cycle (Sternberg 1996). As industries evolve from early-growth phases to maturity, innovative activity tends to shift from product innovations that fuel growth to process innovations that improve efficiencies (Abernathy and Utterback 1978).

CASE STUDY

Silicon valley, CA-Technology Focused cluster (technologies to support radio, electronics, communications, computers, and the Internet[1])

Originating events:

In 1909, Stanford graduate Cyrill Elwell approached Stanford president David Jordan to finance a new wireless telephone and telegraph services company using Paulsen arc technology. A group of local private financiers invested in the company, which was named Federal Telegraph Company (FTC). Technical assistance was provided by the Stanford High Voltage laboratory. The Army and Navy were the first customers.

Key events in initial cluster growth:

1912, Lee de Forest perfected a vacuum tube in the FTC lab in Palo Alto, launching the "age of electronics" FTC experienced dramatic sales growth during World War I. before and after WW I, TFC generated several spin-offs, including Magnavox, Fisher Research Labs, and Litton Industries- into radio telephone, marine radio, loud speakers, vacuum tubes, and other electronic applications and markets. Two Stanford graduates, former students of Dean Fredrick Terman, launched Hewlett-Packard in a garage making audio oscillators.

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[1] T.J. Sturgeon. 2000. "How Silicon Valley Came to Be," in *Understanding Silicon Valley: The Anatomy of an Entrepreneurial Region* (ed: Martin Kenney), Stanford, CA: Stanford University Press.

Key events in the immergence of cluster identity:

In the early 1950s, Stanford University and private investors formed Stanford research Park, with leases limited to high technology companies, and Stanford Research Institute, to generate innovations in support of economic development. In 1953, Varian Associates moved into the first building in the research park. Eastman Kodak, General Electric, Preformed Line Products, Admiral Corporation, Shockley Transistor Laboratory of Beckman Instruments, Lockheed Hewlett-Packard, and others followed soon after. Fairchild Computer Company spun off from Shockley. In 1956, Lockheed Missiles and Space located to the region. The world's first digital computer, ENIAC, was introduced. Gordon Moore and Robert Noyce left Fairchild after ten years and with he help of the venture capitalist Arthur Rock, start Intel (contraction of "integrated electronic"). Stephen Wozniak and Steven Jobs form Apple computer, which receives early investment from regional venture capital firms. Yahoo and Google are formed with the help from regional venture capital firms.

Dalton, GA – Industry focused cluster (tufted carpets and rugs)[2]

Originating event:

In the 1890s, Catherine Evans Whitener revived the handcraft of tufting. In 1900, she sold a tufted bedspread for $2.50. Demand grew for her bedspreads and the tufting handcraft spread to other women in the Dalton area. By the early 1930s, 10,000 area cottage tufters supported "the bedspread capital of the world." Supplies of yarn, cotton sheeting, and thread were available from the textile industry, which was also dominant in the region.

Key events in initial cluster growth:

In the 1930s, a Dalton man modified a commercial singer to create the first mechanized tufting machine, which precipitated the transition from home manufacture to factories. Manufacturers sought new markets including tufted robes and throw rugs, selling to retailers and distributors around the country. New yarn, sheeting and duck mills as well as specialized machine shops were formed to support the industry.

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[2] Carpet Industry: Overview, *The New Georgia Encyclopedia,* http://www.newgeorgiaencyclopedia.org; Facts About the Carpet Industry, The Carpet and Rug Institute.

Key events in the immergence of cluster identity:

In the late 1940s, the textile industry introduced man-made fibres, which were adopted by the Dalton-area tufting mills. The tufted products industry benefited from new fibres, new spinning technologies, and new dye equipment developed in the textile industry. Design of tufting machine wide enough to make a full size bedspread provided an opportunity to make large carpet and rugs. Post-World War II housing boom provided a strong stimulus to carpet demand. In the 1960s, the carpet industry was the fourth fastest growing industry in the country. The number of competitors grew from 88 in 1958 to more than 400 by the late 1970s, with most located in Georgia. Tufting equipment was inexpensive-and barriers to entry were low. To fund growth, carpet companies entered into factoring relationship with regional banks. In 1950, only 10 percent of carpets and rugs were tufted. The average price per square yard was $6.24. By the 1970s, more than 90 percent of all carpets and rugs were tufted, with 70 percent of the world supply produced in the Dalton area. In 1970, the average price per square yard was $3.56. The recession of the early 1980s hurt the carpet industry causing many companies to fail. The more successful competitors pursued aggressive mergers and acquisition strategies, which initiated a consolidation of the industry. By 2000, only four companies controlled 80 percent of the worldwide carpet industry- with all four located in Georgia.

Thus we see how different clusters evolve very different regional resource profiles overtime, derive their growth from different industry and technology patterns, accumulate resources in a different manner, cultivate different capabilities, and develop different sources of regional advantage.

Table 3.1: Differences in Characteristics of Generic Technology and Industry clusters.

Clusters and Characteristics	Technology clusters such as Silicon Valley, Cambridge-Boston, Austin, TX, Research Triangle Park, NC	Industry clusters such as Dalton, GA, carpet cluster; Hickory, NC, furniture cluster; Akron, OH, tier cluster; Detroit, MI, auto cluster
Regional resources	- Inventors with idiosyncratic technical knowledge Entrepreneurs with idiosyncratic entrepreneurial insight - Accumulated entrepreneurial	Suppliers, distributors, skilled labor Industry-specific specialists, consultants, service providers Institutions such as trade associations

	experience available through support services (knowledgeable attorneys, investors, other service providers) - Institutions such as research universities, venture capitals, entrepreneurial networking organizations, national labs or large customers	
Source of regional competitive advantage	Technology transfer capability in the region, diversified and applications as an outgrowth of the entrepreneurial search uncertainty	1st and 2nd tier suppliers, with related products and services, reduced cost of supply uncertainty
Growth driver	New firm formations, spin-offs from existing firms	New suppliers, service providers, relocating or new competitor facilities to access available supply network
Key regional Vulnerability	Subject to the uncertainties risk of entrepreneurial boom and bust. If tied to one technology, then subject to that cycle. Should experience more diversified demand pattern.	Subject to the demand uncertainty faced by the downstream firm/market. Region becomes highly dependent upon the economic health of one industry.
Strategic analogy	Related diversification, with opportunities for synergy created through shared resources.	Single industry concentration with some evidence of Vertical integration

(Source: Technology Clusters versus Industry Clusters: Resources, Networks, and Regional Advantages, Growth and Change, Vol.37 No.2 June 2006, pp. 141-171)

Based on the paper titled "The role and relevance of marketing in SME's: Towards a new model" the authors (Simpson and Taylor) have been able to classify the branding and marketing activities into four heads as discussed below.

MODEL ON ROLE AND RELEVANCE OF MARKETING IN SMEs

MLO – MAJOR RELEVANCE & MAJOR ROLE OF MARKETING

Under the head of MLO organizations realize the importance of marketing and therefore it plays a critical role in the organization's scheme of things. Accordingly, the key features reflected from such kind of organizations are:

- Marketing is considered important for company's success

- It is also highly relevant

- The nature and level of competition, also makes it relevant for such companies to be proactive in marketing efforts

- Rewards: The outcome of such an activity is the fortification of the market share

- Companies in the related field wholeheartedly adopt & adhere to principles & practices of marketing.

- There are separate marketing department have a reasonable budget outlined for the same.

MDO – MINOR RELEVANCE & MAJOR ROLE OF MARKETING

MDO's are segments where the relevance of marketing is not considered significant. The features that represent the MDO are:

- Marketing seen as unnecessary burden and is often considered a wasteful expenditure

- Organisation is considered more of a supplier outside the present circumstances. Hence the push factor is more predominant as compared to the pull factor.

MWO – MAJOR RELEVANCE BUT MINOR ROLE OF MARKETING

MWO's
- Require Marketing expertise

- Efforts to maintain market share & growth

- Highly relevant – to survive in long term against competitors.

- Organisation spends less time & efforts on marketing activities.

- Have sales orientation with fixation on price rather than on any attribute of product/service offered.

- No marketing department, very few staff to formulate strategy

MIO – MINOR RELEVANCE & MINOR ROLE OF MARKETING

- Similar to MDO, except-not been burdened with a big commitment to marketing

- Competition is effectively absent.

- Does not rely upon marketing strategies on marketing initiatives to generate sales.

3.5 Branding Scenarios of SMEs: Global Practices

As an outcome of the secondary literature review there is very little work identified globally in this area. In most cases the hi-tech companies have been consistently marketing and selling their products. This section focuses more on the branding activities by the SME's which has necessarily not to do with the technology companies alone, but all related sectors where the SME presence is visible. Particularly, the 128 clusters identified where SME's have been clustered, would be the areas where global branding activities have to be assessed.

Sullivan and Bauerschmidt (1989) found that small firms in the **US and Europe** have generally similar perspectives to their larger counterparts. **Peterson (1989)** found that most U.S manufacturing small businesses adopt a production orientation; the second most common orientation was one focusing on sales.

Gereffi (1992) pointed out that the lack of internationally recognized company brand names, and appropriate marketing and retail networks are export barriers to **Taiwan**'s indigenous manufacturers. **Horng & Chen (1998)** suggest that the market orientation of small and medium sized enterprises in Taiwan is a critical determinant of its business performance [Study on 500 members of National Small and Medium Enterprises of Taiwan]. Marketing is becoming increasingly important as Taiwanese firms gradually evolve into the ODM and OBM stages of production or service. A government report further supports this finding that Taiwanese SMEs consider strengthening their marketing abilities as a first priority **(White Paper Book, 2001, pp. 64-5).** Taiwanese SMEs, based on this national innovation support system, have moved from OEM into ODM **(Hsiao and Hsiao 1995)**, enabling them to provide their overseas buyer with cost efficiencies without compromising on quality, and also to design products from their own concepts. They are further transforming toward the OBM and developing their own brands and marketing systems to compete in both local and international markets. Thus, promotion and quality control are the major marketing activities of Taiwanese SMEs **(Siu, 2005)**.

Mohy-ud-Din et al. (1997) reported that the **Pakistan** yarn manufacturers have lost market share in virtually all their major markets due to image problems.

Kazem, Heijden (2006) Study on **Egyptian** SMEs in the food industry viewed that top ranking exporters had a more competitive marketing strategy than the bottom-ranking ones.

In **China,** Chinese firms pay a lot of attention to the technological factors at the initial stage of product development. After that, their attention gradually turns to managerial and marketing factors **(Song and Parry, 1994). Mu, Peng & Tan (2007)** viewed that the Chinese firms have shifted their focus gradually from technology to marketing and management. **Siu (2001)** viewed that Chinese SMEs have to develop a strong ability to respond to market signals, to create new products and to develop brands that differentiate them from their competitors. **Wang and Yao (2002)** report that some Chinese SMEs have successfully seized the opportunity and developed into large firms that produce national brand products.

Berger and Lester (1997) suggest that **Hong Kong** firms can sustain their global competitiveness by transforming themselves into high value added, design-intensive manufacturing industries, or by becoming Original Design Manufacturers (ODMs) or even Own Brand Manufacturers (OBMs). Pricing, delivery and quality control are the major marketing thrusts of Hong Kong SMEs **(Siu, 2005)**

In summation, across most areas of research there are evidences where branding activities have been subconsciously followed by companies, or it has been completely ignored by companies, or in some cases there has been a failure on the part of the companies to identify the benefits of branding and therefore they have met with negative fate. However, it is important to assess that in the final run, branding somewhere may have relevance to SME's and more so for organizations who are in technology based companies. The primal facets of technology, like faster obsolescence, common adoption process across clusters or differentiation within related technology (case in point: spinning or weaving or knitting technology in textile may be homogenous across clusters,

with marginal differentiation within the technology adopted) makes it even more challenging for companies to compete.

3.6 Marketing & Branding practices of SMEs globally (special emphasis of technology based SMEs)

Research on SME branding is in preliminary phase globally. **Wong & Merrilees (2005)** expressed their surprise of not been able to discern one research study dedicated to SME branding. **Wong & Merrilees (2005)** conducted study on SMEs of **Australia** by opting case study method. Eight cases were selected for study and SMEs were selected from services industry to have some control over the industry context.

Figure 3.1

A brand orientation typology for SMEs: a case research approach   Journal of Product & Brand Management

Ho Yin Wong and Bill Merrilees   *Volume 14 · Number 3 · 2005 · 155–162*

Table I Profile of the case studies

	Business nature	No. of employees	Business growth
Firm A (embryonic)	Financial planning	3	Medium
Firm B (integrated)	Car rental	2	High
Firm C (embryonic)	Marketing consultant	1	Medium
Firm D (integrated)	Coffee shop	150	High
Firm E (minimalist)	Chinese restaurant	5	Low
Firm F (embryonic)	Car cleaning	4	Medium
Firm G (integrated)	Retail	30	Medium
Firm H (minimalist)	Computer shop	2	Low

Findings:
- ❖ The SMEs have a narrow interpretation of what branding is.
- ❖ Branding is for big firm due to their access to ample resources.
- ❖ Their views on branding are limited to advertising plus brand name and /or logo.
- ❖ Advertising activities were seen as important to branding but not critical for SME business.
- ❖ Personal selling and face-to-face communication is a critical part of marketing communications.
- ❖ Quality of their work can't be projected because of budget constraint.
- ❖ Can think about branding if business picks up and if time allows doing so.
- ❖ There are three archetypes: minimalist brand orientation, embryonic brand orientation and integrated brand orientation as depicted in figure 3.2.

Figure 3.2

Table II Branding archetypes

Type	Branding activities	Brand distinctiveness	Brand orientation	Brand performance
Minimalist	Low-key marketing across the board	Low	Low	Low
Embryonic	Stronger marketing but not branding; very informal branding; seen as optional; narrow promotional tools; word of mouth	Low/medium	Medium	Medium
Integrated	Stronger marketing and branding; either informal or formal branding; branding integral, not an option; wider promotional tools	Medium/high	High	High

3.7 Global best practices: evaluation and process identification

Three trends that can be identified, making brand orientation a strategic choice are decreasing product divergence, increasing media/advertisement costs and integration of markets. In order to avoid the threat and exploitations of the brand the companies opt for the strategy of brand orientation.

A product's superiority per se is no longer a guarantee of success. This realization of situation was first by the management of Tetra Pak, and international manufacturer and supplier of complete systems and material for packaging food products, when their technical edge was threatened by a Japanese competitor. The situation of Tetra Pak, company's reputation was at stake and this marked the beginning of a thorough review of Tetra Pak's intangible assets as well as their identity.

Example shows that decreasing product divergence may be a motive for brand orientation. In Tetra Pak's new strategy, the risk of leveling is counteracted by differentiation in terms of corporate name, brands and corporate identity.

Making existing corporate assets work harder is paramount in a cost control world (Tauber, 1988). For the British company Hovis McDougall, the increasing media costs are a particularly difficult problem threatening to anonymize their brands. The company is witnessing their share of voice being reduced, due to soaring costs of media coverage and to the increased volume of advertising in general. Prioritization of brands is an important mission. Because of presence of so many brand names, they find it difficult to put marketing in all areas. They are wrestling with the classifying of brands into groups.

Today the company is concentrating its marketing efforts on the positioning of the strategic brands (core brands) for the company's long term competitiveness, growth and profitability. The core brands prioritized will gradually be extended to include several other products. Consequently one important idea behind this is more efficient use of media investments as well as the brand equity.

The integration of markets also intensifies the global competition. This trend affects the preconditions for branding strategies of both national and international companies. Internationalization, not necessarily standardization seems to be one of the most effective ways to avoid marginalization. For the multinational package food manufacturer Nestle, the world market has been a reality. However, their branding strategies have to a great extent been adapted to national conditions. *The former Head of Marketing Division, Nestle, has described the situation on the European market for packaged foods in somewhat pointed words: "if you are number one: terrific. If you are number two: terrific. If you are a distant number three, you have problems. The dealer will tell you he'll put his own brand on the shelf instead of yours."*

Nestle's brands is related to their market share. Unless the company has a substantial market share, they risk being confronted with marginalization of their brands, which may result in the substitution of, for example, the distributors own labels.

To sum up, the market trends- decreasing product divergence, increasing media costs and economic integration, have an influence on the branding strategies of the companies. An important observation is that Tetra Pak, Rank Hovis McDougall and Nestle are all moving their brands to increasingly prominent positions in their strategy. Although these companies have for a long time used brands as a competitive means, they have not until today exploited the full strategic potential of their brands. This process, which can be denoted as brand orientation, requires a new strategy view of the role and management of a company's intangible investments and assets.

3.8 Selection of 'Branding Activities' to identify parameters to study 'Readiness Stage' of 'Branding'

BRANDING ACTIVITIES:

- Develop a new brand identity-logo
- Identify key brand messages
- Outline the elements of Brand Identity Guidelines to maintain the integrity of the logo and message delivery of our new brand image
- Assist the short-term Slogan Task Force charged with developing the tagline message
- Expand the communications system and build a network of contacts for broadcasting news
- Monitor where, when and how the Association is mentioned in the news
- Establish a robust electronic press room that can serve both information industry and non-industry media inquiries
- Create and implement communications channels (Brand Talk and Brand Team Notes) for distributing recent news about the branding initiative
- Develop a dynamic Brand Blueprint for the branding initiative
- Integrate branding activities with Association marketing and communications strategies
- Coordinate activities with the Public Relations Committee
- Create a brand launch plan and strategy
- Identify opportunities for involving Association Public Relations Chair people
- Monitor the Association web site revamp endeavors and schedules

KEY OUTCOMES OF THE DESK RESEARCH

The desk research carried out for the study has been fairly exhaustive in nature. It tried to cover the various issues and challenges which are important to the sectors and also explores some of the existing work in the area.

What is quite evident from most of the published data available, the area is quite virgin in India and particularly within the SME sectors there are no visible researches available. The large organizations operating in high end technology have more records and resources as compared to the technology companies within the SME's. Therefore, it becomes a challenge to consider the sector more closely and evaluate the possible work done within.

The concept of brand, branding and managing brands has been explored at the initial level and then the attempt is made to explore the branding orientation, in terms of the process and activities. Later the research focuses more on the branding challenges in SME's. One of the works of Irene Inskip in Brand Management (Vol. II, No.5, 358-365, May 2004) showcases that SMEs need to appreciate that branding in more than just a

nice logo, printed stationery and a good reputation, long term benefits can accrue if the branding process is handled properly and outsiders can help, particularly in the translation of owner vision into a brand concept as SMEs often have problems in structuring what they want to say about themselves.

In a major work by Wong and Merrilees (2005), identified focus critical constructs namely brand orientation, brand barriers, brand distinctiveness and brand-marketing performance. *Brand orientation* is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands **(Urde, 1999).** *Brand distinctiveness* provides a direction for planning and a guide for implementation (**Wong, & Merrilees, 2005**). *Brand barriers* based on the inference that many SMEs perceive they have time and resource constraints to conduct branding activities. **So, to them, it is more or less 'cost' rather than 'investment'.** Later in one of their work, conducted on SME's of Australia by opting case study method eight cases were selected for study and SMEs were selected from services industry to have some control over the industry context.

Figure 1

A brand orientation typology for SMEs: a case research approach

Ho Yin Wong and Bill Merrilees

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  ❖ Advertising activities were seen as important to branding but not critical for SME business.

- ❖ Personal selling and face-to-face communication is a critical part of marketing communications.
- ❖ Quality of their work can't be projected because of budget constraint.
- ❖ Can think about branding if business picks up and if time allows doing so.
- ❖ There are three archetypes: minimalist brand orientation, embryonic brand orientation and integrated brand orientation as depicted in figure 2.

Figure 2

| A brand orientation typology for SMEs: a case research approach | | Journal of Product & Brand Management | | |
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Table II Branding archetypes

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The study bases most of the outcomes from the Wong and Merrilees (2005) study to develop possible guidelines which can be used as benchmarks for conduct of the field study. The later part of the recommendations also bases the model on the bases of this seminal but limited work done in the area.

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CHAPTER 4

PILOT STUDY

The pilot study was undertaken of the five sectors as identified and discussed in Chapter 2. The shortlisting of the sectors are an outcome of the discussion with DSIR and secondary literature review. These are sectors where the intensity of branding is higher as compared to the other technology based sectors. The five sectors are evaluated through the industry associations and representative sample of entrepreneurs from within the industry. The associations and the sample are evaluated through a process of In-depth Interviews.

The indepth interviews conducted on the sample profile are attached as Annexure 2 has been covered as a part of the pilot study. They include industry representatives and the manufacturers from the same industry. Most of the discussion was through a series of in-depth interviews, which tried to map the parameters of effective and intensive branding with the industry.

Part A: Industry Associations:

A. INDUSTRY MARKET POSITIONING:

In this section the attempt is made to assess the kind of technologies that these SME's are using, and evaluate the indigenousness of the same. If there some kind of efforts made to highlight the uniqueness of the technology and what are the possible ways they attempt to do so. This particular section is therefore related to the product-technology part of the branding exercise. Typically, in branding efforts, at the heart of the brand, is the product and this section attempts to examine the attempts to highlight the product-technology part of it. The association perspectives are more holistic, whereas in the second part covering the SME's their responses are more specific to the industry.

1. Most associations believe that in terms of technology adopted it remains homogenous and wherever there is an attempt to create indigenous technologies the cost

implications matter. In these markets, where price remains the key driver, R&D remains a backseat issue and difficult to pursue.

2. The technology adopted usually remains common to the cluster and the efficiency obtained is out of the common adoption and continuous value addition through R&D to the technology.

3. In auto-component and software the efforts are there to upgrade the technology, however, in cases of custom made orders there are very little room for innovations and made according to the client's requirements (standard adopted).

4. In textiles, electrical and electronics it's more or less similar technologies adopted.

5. In summarization, wherever, clusters operate, the product-technology remains common and in cases where the markets tend to spread, like software & hardware there are traces of indigenous technology being adopted.

B. READINESS FOR BRANDING

This section evaluates the aspect of the branding related activities and how SME's have been able to brand their technologies or their organizations to look at markets.

1. Respondent opinion is categorized into manufacturing sectors and software sectors where the nature of the industry decides the dynamics. Textiles, auto components and electrical & electronics had viewpoints which were similar in approach owing to the commonness in approach. They felt that within the sector, branding has not been visibly present in the form of actually pursuing relevant activities.

2. However, most companies have their own brand name, which in very few cases are actually separate product names and in most cases are the corporate or the parent company names. In the case of the auto component sector particularly the companies have developed separate names, but in the remaining sectors it has been largely a case of using the parent company name.

3. SME's, however, regularly participate in various exhibitions, trade fairs, buyer-seller meets and other such related activities. However, the collaterals developed for such events are need based. Even the size and the location for the firms decide the intensity of participation.

4. Today, most SME's have their own websites, but in most cases they are purely for academic purposes and not updated regularly. Regular up gradation and using the website more as a portal are not the norm and only a limited who realize the importance.

5. However, the auto component sector is more proactive and companies have been making conscious efforts to make their websites more contemporary and updated.

6. Software companies however have inherent need which forces them to look at their websites as the more pre-dominant source of generating business.

IN SUMMATION:

1. Most associations opine that branding at individual level for the company per se may be more to generate some kind of identity of their own but beyond that it might be difficult to look at conscious efforts to market themselves.

2. Most SME's represent a cluster and are identified more through these. Clusters help SME's gain show of strength, achieve economies of scale, share resources and work more proactively for the cause of the cluster.

3. However, organizations with manufacturing bases tend to operate in clusters owing to the geographical accessibility they wish to have to the consumers.

4. Software sector however, has not shown such kind of clusterisation and operates independent of such clusters.

5. Associations feel that cluster branding might be a more feasible approach as opposed to branding within the cluster.

6. SME's may or may not have the resources, the need or the pressure to actively pursue branding activities. Hence, a cluster approach in branding may be a more feasible option.

PART B: INDUSTRY REPRESENTATIVES

The study here focused on the industry representatives, sample size and profile of whom is attached in Annexure 2. The questionnaire used to cover their responses is attached as Annexure 1. The basic objective of the questionnaire was to evaluate (i) the industry market positioning and (ii) the branding readiness. The industry market positioning tried

to focus on the internationalization process of the company in terms of the kind of efforts made to use technologies developed indigenously or invest in R&D for development of new technologies. The technologies used by these SME's are basically designed according to buyer's requirement or are usually made to order. The attempt was to explore the possibility of efforts made by these respondents to work on indigenous technologies or the effort made to invest research & development. Efforts were also made to analyse if the representatives/ respondents also were involved in the export market and any special measures taken for technological up gradation etc.

In the other part of the questionnaire the focus was more on actual efforts made by the firms to look at branding as an important step towards focusing and highlighting the organisations. It was more to seek opinion on their need for branding and steps taken to highlight the company. Different elements of branding like the development of company name, a separate product name, branding any indigenous technology developed, developing and designing logo for such kind of naming activity and finally any form of marketing activities including creation of website etc. to highlight the efforts. Also, another aspect that was explored, the efforts in branding required for exports markets was also probed.

The findings from the five sectors have all been assimilated together and the response has been accordingly collected. This study has been restricted to the city of Delhi and NCR. The major findings from this pilot study are as follows:

A. INDUSTRY MARKET POSITIONING

1. In terms of industry market positioning the response was from the point of view of the kind of technologies used by the companies and whether there is some form of indigenous technology used or any kind of R&D activity pursued by the company. Most of the sectors are adopting standardized format and in terms of technology they have been adopting more or less fixed templates.

2. In terms of the kind of exports markets, most of the software companies responded with visible presence in export markets but the other sectors had mixed response. Electrical and electronics were least visible globally.

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3. In terms of response for developing in R&D or trying to develop any kind of indigenous technology, most of them were positive, however, what was referred to R&D did not purport to the standards of what actual R&D activity is all about.

4. The response to the efforts being made to develop indigenous or unique technology was positive but there was visible efforts from the respondents

5. In the last part of the section, where the respondents had to respond on a number of parameters w.r.t. to technology and

    a. Innovation

    b. Modification

    c. Core technology

    d. Platform technology

    e. Reliability

    f. Cost

    g. Complexity

    h. Substitution ability

    i. Imitable

    j. Market potential

Most respondents across sectors has mixed response to these factors but what was evident that across sectors the kind of technology used in clusters did not differ much in terms of the product related differentiation.

B. Readiness for branding

The second part of the questionnaire was more on trying to probe the kind of orientation the company had for branding purposes and the efforts made by the SME's. The responses are enumerated below:

1. Most respondents across sectors did have some kind of logo and brand name for the company but that was always not in visible form. Some of them even had a separate name and log for the technology or the specialized product that they had, but no conscious effort was made to highlight the same.

2. Respondents, which were large sized companies, did have a separate marketing and sales department but the role and function was limited as most of them were

owner driven. However, smaller sized companies were controlled by the owners themselves.

3. Though most companies realized the importance of pursuing branding activities, however, they were unsure as to what are the benefits of the process, or they it was an expensive proposition or in some case they were unsure of how to proceed with the efforts.

4. Most of these sectors had visible clusterisation visible and they were cocooned in such clusters, because of which need for branding did not seem visible to them.

5. As regards participating in various exhibitions, buyer seller meets, trade fairs were all considered important launch vehicles for them, but somehow the resource seemed to be a cause of concern. They expected greater support from the industry associations and the various trade bodies assisting in the business.

6. They also agreed to having a website, but most cases, barring the auto components and the software the websites were not updated and lacked the right kind of information, to know more about the companies

7. The companies have not made investments to showcase the logo and the product name as much as they should have done.

8. It was agreed that branding helps in highlighting various features of the product, most importantly, the quality of the product. By highlighting the features of the product, branding helps in building good reputation through improved brand image. It was expressed that quality of product and reliability ensures customers liability, thereby increasing the company's standards and expand business.

9. Attracting particular customer segment was also one among the benefits expected out of branding. Since the textile sector involves the use of technology, with constant innovation and new technologies expanding client base either through direct marketing or through client networking becomes possible thus enabling the SMEs to enter international markets and increase the demand for the products. Once the products become recognized as branded, SMEs are expected to have a better say on the prices of the product.

C. FINANCIAL DETAILS

The next part of the questionnaire was more of profiling the respondents in terms of his products they deal in, turnover, product mix, markets, interest in export markets and presence if any, his domestic markets and key buyers and the total ratio of domestic to export market business. The section was more about profiling the respondent and his background.

Key characteristics of cluster branding as is evident from the pilot study:

While undertaking the pilot study there were several sectors identified amongst which the sample could be selected for the pilot study. Keeping the basic research objectives and the terms of reference into account the sample selection was based on:

1. The MSME guidelines on the industry classification was one of the most attributes towards sample selection

2. It was analysed whether the sectors selected pursued some kind of marketing activities. Further, as a part of the marketing activities do these samples profiles also embrace some kind of branding initiatives.

3. SME's also follow a pattern of clusterisation in their approach and prefer to work close to their suppliers.

4. The rationale for the cluster approach is both external and internal. Internal for reasons that in a cluster the participants are able to share resources and thereby manage efficiencies of scale. External, as mentioned in the earlier point the, the logistical proximity to the buyers help the sector service more efficiently.

5. On the basis of the clusterisation evident and the sectors identified the following table has relevance:

Table 4.1: Features of cluster branding sector wise

Sector	Presence of cluster branding	Key features of the cluster
Textile	Present	The textile sector is one of the most prolific sectors, showcasing cluster branding. This is because the industry is processed based. There is a heavy reliance on resource sharing and particularly man-power and infrastructure. Also clusters have shown both inter and intra cluster cooperation. Pricing is important and members within the cluster have a range within which the pricing works.
Auto-component	Present	The nature of clusterisation in the auto component sector is different from the textile sector. Here the clusters seem more independent, even though resource sharing is evident. The members of the clusters make independent effort to scout for buyers and there is more evidence of marketing for the same. Besides, the industry association here seem to be more organised and in place for taking care of the industry needs.
Software	Absent	The software industry operates more as independent entity. The units may operate from the EPZ's or SEZ's for availing locational advantages only. However, most SME's in the sector are ancillary to larger software companies who may be operating from within the zone from where the SME's operate.
Hardware	Partial	IT Hardware clusterisation is more evident and owing to the physical nature of the business the resource sharing is also present. However, the intensity visible in the textile and the auto component sector is not evident here.
Electronics and Electrical	Present	The electronics and electrical sector even though spread over Delhi and NCR, yet has a strong cluster approach. The electrical sector is intricate and has several components as verticals. It therefore makes the sector more susceptible for the SME to enter. The electronics with initial heavy investment may act as a strong entry barrier but the presence of SME, particularly medium enterprises are more visible.

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CHAPTER 5

PRIMARY STUDY AND FINDINGS FROM THE STUDY

PART I- AUTO COMPONENTS

The first part of the analysis is on the Auto components sector, which comprises of about 112 respondents spread over Delhi & NCR, Pune and Chennai. The format followed is, at first the response is collected and then the analysis of the response is given after the response is collected. The questionnaire has three parts to it:

a. Industry Market Positioning

b. Readiness for branding

c. Financial details

The three sections of the questionnaire have been separately analysed. The tabulated data is included in Annexure 4.

KEY TAKEOUTS FROM THE TABULATED DATA

Auto component SMEs are one of the fastest growing within the SME category of industries. These units are key contributors to the total production of auto components and also have a significant share in the exports of the industry. As part of a highly fragmented industry where distinct tier exists, these companies mostly are part of the unorganized sector. Most of the companies in the SME segment are in the Tier II or below. Few of the suppliers to OEMs are medium scale enterprises.

SECTION A: INDUSTRY MARKET POSITIONING

NATURE OF PRODUCT MIX

The product mix, which is the total composite of products offered by a particular organization, consists of both product lines and individual products. About 9 per cent of SMEs are involved in manufacturing of seat metal, followed by SMEs involved in the manufacturing of oil seals, bush and bearing constituting about 5.4 per cent. Automotive parts constituting 4.5 respectively occupies the third position in terms of the nature of product mix. Maximum auto component SMEs involved in the manufacture of seat metal implies their strong presence in the market, increased market share and increase in the turnover for more profitability. Increased market

share explains the size of the domestic market, as well as the size of the export market[1] thereby facilitating linkages among the SMEs with the industry's major suppliers and buyers. Higher percentage of a particular group of product mix highlights the top products and services in terms of industry share among the SMEs, demonstrating their influence over total industry revenue, as well as providing market share on all the niche businesses that operate within this industry.

MARKET SCENARIO

All players in the auto cluster are sharpening their focus on developing and executing their business strategies to take advantage of the existing market which is critical to achieving future growth and profitability. Among the Auto Component SMEs, there is existence of tough "price competition" from among the competitors within the cluster. 22% of the respondents have felt that price competitiveness is an important determinant of competitiveness. Another important factor felt by the respondents was the existence of competition in product selling of high quality product.

The Indian automotive component industry consists of a wide range of manufacturers involved in a wide range of parts including castings, forging, finished and semi-finished components, assemblies and subassemblies. Their increasing number is aided by the arrival of OEMs to India and the increasing exposure of Indian companies to international competition and best practices. Almost 95 percent of the enterprises have just 0-50 competitors in their cluster. This indicates that the clusters are relatively small. The range of products manufactured, with each broad product segment having a different market structure and technology, has negated any possible concentration of the market in a few hands. The market is so large and diverse that a large number of players can be absorbed to accommodate buyer needs.

About one-third of the competitors have a turnover between Rs. 1 Crore and 10 crores. Almost a equal share falls in the small size segment with enterprises having a turnover between Rs. 25 crores and Rs 50 crores. The investment by competitors fall in the three ranges, i.e., Rs. 1 crore to Rs. 10 crores which constitutes the highest with almost 32% of the enterprises falling in this

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[1](HS Code 8707)

category, Rs. 21 crores to Rs. 50 crores is the second highest constituting almost 30% and enterprises investing above Rs. 50 crores is almost equal, i.e., about 30%. Almost 46% of the companies are located in small and mid-size clusters whose market size is in the range of Rs. 1 crore to Rs. 10 crores. Similar percentage of companies are in the range of Rs. 11 crores to Rs. 500 crores and a very small fraction, almost 8%, belonging to above 500 crore group.

NATURE OF BUSINESS OF THE COMPETITION

55% of the respondents are involved in the manufacturing business of which auto parts manufacturers constitute the majority, followed by bearing and cul seals, while manufacturers of spare parts constitute the lowest percentage group.

OPINION ON GOVERNMENT REGULATIONS AND POLICIES REGARDING THE CLUSTER

While maximum respondents did not establish their opinion on government regulations and policies, some SMEs felt satisfied with government regulations and policies. It was felt that government tax and VAT structure was favorable for the companies and provides incentives for exports. On the other hand there were dissatisfied respondents who felt that need for reduction in taxes and VAT. They also expressed the need for reduced power rates and formulation of specific guidelines in relation to the Chinese dumping their products. The need for proper regulation of policies in certain cities was also felt as necessity along with the need to control raw material costs.

RECENT CHANGES OBSERVED IN THE CONTEXT OF PRODUCT AND RELATED MARKET

On the question of changes observed in the context of product and related market, the consumer's orientation and policy orientation was sought. The results showed a negligible difference in both the cases implying marginal changes in the way government policies and consumer orientations have been perceived. Absence of any major difference in both the cases indicate continuation of the existing government norms, lack of government initiatives with regard to bringing out a significant policy change in terms of specific product groups. Also the image of the product and the related market in the minds of the consumers has not through any

significant change implied existence of the regular product availability in the market, until and unless there is a product with significant technological upgradation introduced in the market.

EXPENDITURE ON RESEARCH AND DEVELOPMENT

The interaction between component manufacturers and MNCs has led to not just quality improvement but also has enabled the manufacturers to set up own in-house R&D facilities. Auto component companies are involving themselves in developing their own computer-aided designs and computer-aided manufacturing, constantly conducting research on changing trends of improved technology by coming up with new designs that reduce cost and increase efficiency. However, almost all of them do not have any in-house R&D facility. Of the remaining 14% who invest in in-house R&D, half of them invest just between Rs. 1 lakh to Rs. 50 lakhs. The maximum in-house R&D expenditure by a company is Rs. 4 crores. The importance of R&D as an essential tool to compete and survive for the SMEs needs to be emphasized upon.

EXPORT ORIENTATION

The study among the sample showed that a little more than half of the companies are into exports and nearly half are not.

MAJOR COMPETITORS FORM THE CLUSTER

For most of the respondents, large enterprises with a annual turnover crossing over 100 million are direct competition to the clusters besides the competition that generates from within the cluster too.

PRACTICE/USE OF UNIQUE AND INDIGENOUS TECHNOLOGY

The study results showed that nearly one-fourth of the companies do not practice any Unique or Indigenous technologies. But nearly 60% of the companies practice unique technologies and the remaining 16% practice indigenous technologies.

EFFORTS MADE TO HIGHLIGHT THE SPECIAL FEATURES/UNIQUENESS OF THE PRODUCT

Most of the auto components SMEs do not take efforts to highlight special features of their products. This group constituted about 25% of the respondents. While other SMEs area taking various efforts individually to highlight the uniqueness of their products, for instance, some companies have constituted extra department to check quality control, while others are highlighting the use of hi-tech machinery steel works to promote their product. Some of the SMEs highlight customer service, while some are involved in giving full fledged training of staff for the production of specific products, while some SMEs give option of producing the products according to the customer's requirements and specifications.

FOREIGN COLLABORATIONS- FINANCIAL AND TECHNICAL

With regard to foreign collaborations, only 15% of the respondents have foreign collaborations of which most of the SMEs have technical collaborations while very few SMEs have financial collaborations implying that large number of SME's are dependent on overseas technological developments for their product enhancement. Where new technologies are involved through foreign collaborations, those SMEs stand a better chance to export their improved products either through new clients or through collaborations with foreign clients. In certain cases there are incidence of collaborations both financial and technical, implying support and technology solutions provided by the collaborated company.

R& D PARTNERSHIP

Those companies who are not involved in any foreign collaboration, when asked about their partnership with any R&D/academic institutions, almost all SMEs in the cluster do not have any R&D partnerships. Only a marginal section of the respondents have R&D networking with China, Hong Kong, Singapore.

When asked about the company's annual average expenditure incurred on marketing/branding/advertisements etc while most of the respondents refused to reveal the facts. Those who revealed, many of them came under the average expenditure group of Rs. 5 lakhs, followed by those in the Rs. 20 lakhs range, and finally Rs. 50 lakhs and 50 thousand range. This shows that most of the companies allot marketing budget of Rs. 50,000 to Rs. 1

lakh. Only a very few companies allocate amounts between Rs. 20 lakhs to Rs. 50 lakhs as part of their marketing expenditure, implying that very few companies allocate significant amount for marketing expenditure.

SPECIAL FEATURES/UNIQUE TECHNOLOGIES

A large majority of the respondents, more than 80%, are of the view that the technology being used by their company is a completely new innovation.

Majority responded that the technology used by them is a core technology. More than 90% of the respondents also feel that the technology is simultaneously also being used as a platform technology which is very expensive.

More than three-fourths of the total respondents felt that the unique/indigenous technology in use is very complex and equally hard to be substituted by other technologies. A majority of people also felt that the technology is hard to be imitated by others thereby, enabling the company a greater market potential by the use of unique/indigenous technology. A majority of respondents, more than 70%, say that the technology is patented and are confident that the product/process meets international standards or approvals, proving that they have a high degree of confidence on the quality of the technology being used by them.

SECTION B: READINESS FOR BRANDING

ACTIVITIES PURSUED BY THE ORGANISATION

Only 27% of the companies do not have any logo identity for their company or products they manufacture or the technology they use, while majority of the companies said that they do have logo identity for the above-mentioned attributes. Majority of the companies do not have any message associated with either of their company or products or technology. Including the word "Auto" in their name was felt to be sufficient to indicate about the business in which the company is operating. Only 34% of the companies have message for such attributes, thereby, proving that apart from having a brand name the companies are also making efforts to position

their company/ product/ technology in the market and also be trying to differentiate themselves from the rest.

Almost 50% of the companies have identity guidelines to maintain the integrity of the logo and message delivery of their company/ products/ technology, while same percentage of companies do not have any such guidelines.

About 56% of the companies have established a continuous system of monitoring thereby keeping a continuous track of where, when and how the logo and message are being used in relation to their company/ products/ technology.

There is not much difference between the companies who have association with industry associations and institutions and those who do not maintain any association. The difference between the cases is just around 4%. A considerable percentage of companies do not have and use any website for their company/ technology/ products.

VIEWS ABOUT THE PRODUCTS/ TECHNOLOGY:

Most of the companies have separate marketing department to take care of various marketing related activities although majority of them felt the absence of dominant competitors. Only 19% of the companies feel the presence of dominant competitors. Around 85% of the companies are confident about their products unique competitive advantage. Companies also felt that their products are clearly defined and they are not ambiguous enabling them to have a good reputation in the market. Around 75% of the respondents have new brand identity- logo with the key brand messages/ product benefits clearly communicated.

RELEVANCE OF BRANDING

Most of the respondents agreed that branding activities increases the growth of the business of company as well as the reputation of the product. Some agreed that through branding product quality gets identified thereby increasing market demand. Branding also helps in better identification of the product, maximize sales and increase the market share. Companies involved in technical collaborations with foreign countries have higher recognitions. To many,

a brand suggests the best choice which will influence the perceived worth of the product and will increase the brand's value to the customer, leading to brand loyalty.

OBJECTIVES OF BRANDING

The respondents agreed that branding is different for manufactured products, by which market share increases. For most of the respondents, the objective of branding is to increase sales, have a better image in the market and ensure good quality.

CONSTRAINTS/DIFFICULTIES FACED WHILE BRANDING:

Most companies do not stand out in the marketplace due to the presence of similar products in the market. And as a result of which they do not stand out and remain disconnected with their potential customers and incur loss as a result of bad branding. These weak brands strain resources and give the feeling of working harder for less. Lack of expertise can have serious consequences on branding activities. The presence of competitors' reputation and of their brands poses a main challenge for those who are involved in the initial stages of business development. Cost competition in the market, price competition, inadequate quality standards are some of the other constraints felt by the respondents.

SUPPORT/ ASSISTANCE

While most of the respondents declined getting assistance or even refused assistance from government, there were few respondents who felt that support was required in terms of concession on advertisements, reduction in taxes in the industry/service, need for specific guidelines for the industry from the government and provision for loan assistance.

BENEFITS

For most of the respondents, a brand serves as a convenient source for a reputation and good will.

SUGGESTIONS

Although many of the respondents refused giving suggestions, there were some important inputs given by the respondents. For instance, maximum respondents felt that quality of the

product cannot and should not be compromised. Since most of the auto component manufacturing firms deal with technology which requires constant upgradation with latest features, producing products with best quality standards results in maintaining brand loyalty, quality remained a key concern for all.

Some of the respondents also felt the need for easy documentation and relaxation with regard to taxes or reduced taxes as most of the SMEs have to import products which will increase taxes. Another important suggestion made was with respect to cost control, which is imperative to the SME business.

SECTION C: FINANCIAL DETAILS

TURNOVER

Almost 53% of the respondents fall under category whose turnover is between Rs. 5 crores to Rs. 25 crores, followed by 24% of the respondents with the turnover of Rs. 26 crores to Rs. 50 crores. The average turnover of the surveyed auto-component companies in the FY 2006-07 is Rs. 35.77 Crores.

INVESTMENT IN PLANTS & MACHINERY

22% of the respondents invest Rs. 20 crores to Rs. 50 crores in plant & machinery, making the average investment of Rs. 30 crores in plant & machinery. The companies investing Rs.1 crore to Rs. 15 crores is equally high along with those companies investing above Rs. 50 crores constituting about 34%.

DOMESTIC VERSUS EXPORT SALES

About 80% to 100% share of domestic sales is incurred by 58% of the companies as compared to 5% of companies whose sales in export is about 80%.

PART II: TEXTILES

KEY TAKEOUTS FROM THE TABULATED DATA

The Indian Textile Industry is growing at 20% and accounts for 4% of India's GDP[2]. It contributes 14% to the Industrial Production and employs about 35 million people. It accounts for 21% of India Gross Export Earning. India contributes 20% to world spindleage capacity, the second highest spindleage in the world after China. It contributes 6% to the world rotorage and 62% to the world loomage. However in High-tech Shuttless Looms this industry's contribution is only 4.1% to the world Shuttless loomage. 12% to the world production of textile fibres and yarns is from India and is the largest producer of Jute, second largest producer of silk and cellulose fibre / yarn, third largest producer of cotton and fifth largest producer of synthetic fibres / yarns[3].

India's key assets include a large and low-cost labour force, sizable supply of fabric, sufficiency in raw material and spinning capacities. On the basis of these strengths, India will become a major outsourcing hub for foreign manufacturers and retailers, with composite mills and large integrated firms being their preferred partners. It will thus be essential for SMEs to align with these firms, which can ensure a market for their products and new orders.

The second part of the analysis is on the textiles sector, which comprises of about 110 respondents spread over Delhi & NCR, Surat and Coimbatore. The format followed is, at first the response is collected and then the analysis of the response is given after the response is collected. The questionnaire has three parts to it:

a. Industry Market Positioning

b. Readiness for branding

c. Financial details

The three sections of the questionnaire have been separately analysed. The tabulated data is included in Annexure 4.

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[2] The Indo-Italian Chamber of Commerce Report on " Overview of The Textile Industry In India", April 2007,

[3] Dun & Bradstreet study on **"**Emerging Textile SMEs of India" 2006.

SECTION A: INDUSTRY MARKET POSITIONING

NATURE OF PRODUCT MIX

Most of the respondents are involved in the manufacture of garments constituting about 55%, followed by manufacturers of yarn[4] constituting 10% of the respondents. Manufacturers of ladies garments, kids wear and saree fabric constitutes the next major category. Finally, cotton fabrics and fabric manufacturers[5] comprise the last major segment.

SMEs involved in the fabric manufacturing process such as yarn manufacturers, fabrics, dyeing and printing are comparatively less in number than those involved in the manufacturing of various types of cloth and garments.

MARKET SCENARIO:

The presence of severe price competition was agreed by most of the respondents, closely followed by tough competition from various competitors in the product segment. As selling the manufactured products was not an issue with the respondents, manufacturers were more bothered about the presence of competitors, transportation costs involved and very high raw material costs and constant price fluctuations of raw materials.

Analysis of the competitors is necessary for SME firms in order to compete directly with each other and that management may consider important as part of their strategy. At an average, the surveyed textile enterprises feel the presence of around 356 competitors in their clusters. In more than 53% of companies the figure reaches upto 50 competitors per cluster. Just over 23% enterprises have more than 100 competitors and over 10% have 500 competitors in their cluster, implying that these enterprises are located in relatively large clusters. The increasing expansion of competitor intelligence activities by the SMEs highlights the high priority the firms place on monitoring various competitors' activities.

The key competitors often compete in the same product-market or in the segment within the market. It is important for SMEs to know about the profile of the competitor. This also enables

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[4] HS CODE 56
[5] HS CODE 52

the firms to evaluate their marketing strategy and tactics so that the management responds to the changing market conditions. The average size (in terms of turnover) of each competitor as perceived by the respondents is around Rs. 28.77 crores. The turnover ranges between Rs. 1 crore to 200 crores. Maximum competitors, constituting 34%, have a turnover between Rs. 1 crore and Rs. 10 crores while a little more than 10% of the competitors have a turnover above Rs. 50 crores.

In terms of average investment by the competitors in the cluster is about, Rs.14.6 crores. Among the existing competitors, more than 50% invest between Rs.1 crore and Rs.10 crores in their businesses while only a meager 2% of the competitors invests more than Rs. 50 crores.

Among the surveyed clusters, Thirupur is the largest textiles cluster in terms of market size with a business investment running in crores. Establishing the market size of the cluster enables market potentiality that can be obtained from a defined product-market during a specific time period. This also includes the total opportunity for sales by all SME firms serving a particular product market. At the same time the knowledge of the market size will enable the firms to forecast sales.

Manufacturers of garments and exporters constitute the main business competition for the SMEs involved in textile manufacturing followed by small size domestic manufacturers of garments and those involved in government exports. Saree and fabric manufacturers, manufacturers of yarn and middle sized garment manufacturers constitute considerably less amount of competition. SMEs involved in the process of cloth manufacturing such as printing and crushing, dyeing readymade garments pose very little competition compared to those SMEs involved in manufacturing of individual product such as lehengas, shirts, track suits, baba suit, bedsheets and towel manufactures, blouses and manufacturers of jacket.

OPINION ON GOVERNMENT REGULATIONS AND POLICIES REGARDING CLUSTER

Majority of the respondents were positive about government regulations and policies because of the absence of themes which makes it easy to follow the guidelines. However, many of the

respondents expressed their discomfort over several issues such as absence of benefits for textile mills whenever there is an increasing demand for cotton, presence of stiff price competition, absence of flexibilities in VAT and difficulty if following the policies.

Those involved in the manufacturing process of cloth have felt that dyeing process are feeling the pressure because of pollution related problems and the pollution act. Some SMEs have also felt that government polices provide inadequate assistance especially when the Chinese products have made their entry into the market.

RECENT CHANGES OBSERVED-CONSUMER AND POLICY ORIENTED CHANGES

Although most of the respondents did not see any observable change in the consumer needs, some of the views expressed by the respondents include that consumers these days prefer branded products and with many of them opting for designer products, the trend is changing and accordingly the consumer's preferences change, without compromising on the product quality and design. Apart from these, the respondents cited that raw material cost need to be stable because of the problems posed by increased fluctuations in the prices of the product.

As far as policy oriented changes are concerned majority of the respondents did not see any significant change in the policies, however some of the discomfort expressed by them include increasing formalities which lead to instability in policy changes. Flexibilities in finance must be considered so as to enable the policies customer friendly. Some have felt that taxes and VAT are too high which is enabling them to seek export of their products as a much better option than serving the domestic market.

EXPENDITURE ON RESEARCH AND DEVELOPMENT:

The expenditure on research and development is increasing faster than that of expenditure on capital assets. Around three-fourth of the surveyed enterprises do not have any in-house R&D facility. Out of the remaining 26%, majority of the companies invest just about Rs.1 lakh to Rs. 10 lakhs per annum on research and development activities and only 3% invest between Rs. 51

lakh to one crore per annum on these activities. This implies that companies that can develop the capabilities may do so by partnering.

EXPORT ORIENTATION:

Understanding global markets is important regardless of where the firm decides to compete, since domestic markets often attract international competitors. According to the study, a healthy majority of textile companies are into exports. This enables them to take advantage of global reach and standardization and at the same time lead to local adaptation.

COUNTRIES EXPORTED, PRODUCT MIX AND MAJOR CLIENTS

SMEs involved in the manufacturing of cloth and other related services, are found exporting their products to countries such as UK, which is most sought after destinations for exports of textiles, followed by the U.S. respectively. Exports markets in Europe include two main destinations – Germany and England, while other European countries include Spain, Finland, Netherlands, France, Belgium, Italy and Switzerland. Leveling the export markets to European countries, textile SMES are also found to be exporting to East Asian countries such as, Japan and Singapore (both being the main export destinations in East Asian region), while other destinations include, Hong Kong, Bangladesh, Korea, Sri Lanka, Iran, UAE, Mexico, South Africa, Saudi Arabia etc.

Although SMEs are found to be exporting their products to almost all regions, they are involved in exporting a particular set of product mix, unlike the one followed by them in the domestic market. For instance, garments, silk sarees, fabrics & jackets and blouses are being increasingly exported than that of process oriented services such as yarn, clothing components and leather cloth, implying the preference for exporting finished products than that of process oriented products.

Effective marketing in SMEs allows the comapany to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.

COMPETITORS FROM OWN CLUSTER

The presence of competitors in the product markets makes it possible for SMEs to sharpen their marketing strategies and letting these activities correlate with performance levels to that of close competitors.

USE OF UNIQUE/INDIGENOUS TECHNOLOGY:

SMEs with specialized competitive strengths are able to achieve impressive bargaining power with larger firms because of their high levels of competence in specialized technology. In terms of innovative technologies, one-fifth of the enterprises neither use any indigenous technology nor any unique technology. However, only 7% of the enterprises are using indigenous technologies (technology developed by that particular manufacturer for its own use), while a large 73% of the enterprises are using unique technologies (only that particular manufacturer is using that technology in that cluster for that specific purpose) to their cluster.

EFFORTS TAKEN TO HIGHLIGHT FEATURES/UNIQUENESS OF PRODUCT

Highlighting various features and benefits makes it easy for the customers to assess the product with higher customer satisfaction. It also helps in maintaining the product configuration for the clients as well as for the company. Some of the efforts undertaken by the SMEs to highlight the uniqueness of their products include, use of hi- tech machine & designs, use of latest machinery for better quality products, proving better services to the customers through timeline deliveries and by establishing a quality control department to keep a constant check on the quality of the garments.

FOREIGN COLLABORATIONS AND NATURE OF COLLABORATION:

Collaborative relations include shared activities such as product and process design, co-operative marketing programs, applications assistance, long term supply contracts etc. However, only a small number of enterprises which is just about 6% have some kind of foreign collaboration. The rest have no foreign collaboration whatsoever.

The amount of collaboration may vary substantially across industries and individual firms. In a given competitive situation a firm may pursue different degrees of collaboration across its customer base. Among the enterprises having foreign collaborations, 57% have technical collaborations while 43% have financial collaborations.

With increasing amounts of money being invested in R&D for providing better services to the customers, SMEs stand a minimal chance to invest huge amounts due to lack of resources. Only a very few SMEs have R&D networks with academic institutions enabling them to keep a track of the developments in the latest technologies. Some of the SMEs have ventured into R&D initiatives with expenditure amounting between a lakh per year to 3 lakhs. Very few SMEs have allocated an amount of 30 lakhs to 60 lakhs for R&D expenditure, implying that only a few SMEs have realized the importance of establishing an R&D unit and its benefits therein.

SPECIAL FEATURES OF INDIGENOUS/ UNIQUE TECHNOLOGIES USED INNOVATIVENESS

In the study conducted around 60% of the respondents feel that the technology being used by their company is a completely new innovation while 40% of the respondents are of the view that the technology is used as a core technology.

When questioned on the reliability of technology, more than 90% of the respondents agreed that the technology used by their company is reliable and 7 out of 10 respondents also agree that the technology is costly while just about 10% of the respondents thought the otherwise.

Two-third of the respondents felt that the technology is complex, technology used by them is hard to be substituted and the technology used by them would be hard to be imitated by others. 80% of the respondents are of the opinion that the technology being used by their company has a great potential in the market and also say the technology process/product is patented. And 90% of the respondents think that their technology process/product meets international standards and approvals. This shows that they have a high degree of confidence on the quality of their technology or product.

SECTION B: READINESS FOR BRANDING
ACTIVITIES PURSUED BY ORGANISATION:

9 out of 10 enterprises do not have any message related to branding for their company/ product/ technology and 90% of them do not have any identity guidelines to maintain the integrity of the

logo and message delivery. A little over 8 out of 10 of the textile SMEs do not have a monitoring system to track where, when and how the company or product or technology logo and messages are being used.

90% of the enterprises are found to be taking very little efforts for creating and implementing various communication channels such as brand talks and brand team notes for distributing recent news about branding initiatives undertaken by these enterprises. Nearly three-fourth of the textile SMEs does not have a website for their company or product or technology. And of the one-fourth of the companies having websites, only about 30% of these companies continuously monitor and revamp their websites and regularly update information about their latest endeavors and schedules. Nearly two-thirds of the companies have some kind of association with industry associations and institutions.

VIEWS REGARDING PRODUCT/TECHNOLOGY:

- There appears to be no level of agreement among the respondents over the presence of dominant competitors. There is an almost equal share giving varying responses ranging from agreement to no opinion to disagreement.
- A majority of the respondents, 80% of them, feel that their product has a unique competitiveness over other products in the market.
- More than three-fourth of the respondents feel that their product(s) is/are clearly defined, i.e. has a specific purpose and use to which it is put and the customers and clients are aware of this.
- 90% of the respondents are of the opinion that their products and technologies have a good reputation in the market and among its customers and clients.
- Just over 50% of the enterprises have a separate marketing department to market and promote the company's products and technologies.
- About 50% of the companies have a new brand identity or logo, i.e. they have either revamped or changed their company logo showing that they have undertaken some initiatives towards branding.

- There is not much effort undertaken to communicate the key brand messages and product benefits to both current and potential customers. This is an activity that can be very productive in increasing the business of the company.

- All the textile enterprises surveyed have a company name but none of these companies have a separate name for their products.

COMPANY READINESS:

- Around two-third of the textile enterprises do not have a company logo showing very little initiative towards branding.

- More than 90% of the companies do not have a separate company and product logo.

- Among the one-third of the companies having logos, nearly 70 percent of the companies' logos are not visible.

- Nearly 75% of the enterprises do not have a company website

- Nearly three-fourth of the companies does not have a separate sales and marketing department.

- 70% of the enterprises do not have separate sales staff to handle sales for the company.

- A whopping 86% of the companies do not have any specific guidelines laid down for marketing activities of the company

- More than three-fourth of the companies do not have any trademarks and patents to protect the uniqueness of any of their products and technologies.

- A little more than two-third of the companies does not take any part in buyer-seller meets, exhibitions and trade fairs.

ACTIVITIES HAVING EFFECT ON SELLING/MARKETING OF PRODUCTS:

- More than 50% of the respondents think that activities such as participating in buyer-seller meets, exhibitions and trade fairs is important in helping sell and market products in a better way while a little more than 40% are against this view.

- More people are against the view that a separate marketing and sales department is helpful in selling and marketing of products. Just over 40% of the respondents feel that it is beneficial while almost disagree.

- A majority of respondents, more than half of them, are of the opinion that having a company website is important and that it helps in better selling and marketing of products. But more than 40% of the respondents do not feel that a website is all that important.

- Just about 40% of the respondents feel that having a separate product logo is helpful. A much larger share, 55%, does not agree with this.

- More than half of the respondents feel that having a company logo is beneficial in selling of the products. But more than 40% of the respondents are also against this view.

- Not many respondents feel that having a separate name for the company and its product is that important in helping sell and market the products in a better way. Just over think that having a separate name is helpful. In fact, a majority, nearly half are against this view.

- Almost all the respondents feel that having a company name is very essential in selling the product.

AVERAGE ANNUAL EXPENDITURE ON MARKETING/ADVERTISING

Almost 30% of the companies do not spend any money on advertising and marketing their products. Nearly 60% of the companies spend just about Rs. 1 lakh to Rs. 15 lakhs while just a little more than 10% spend in the range of Rs. 30 lakhs to Rs. 50 lakhs. Amongst those companies spending any amount on marketing and advertising, the average annual expenditure comes out to around Rs. 13 lakhs on marketing/ branding/ advertisements etc. Thus allotment of separate budget for various marketing activities for SMEs seems to be a challenging task, with most of the respondents finding it difficult to have a separate budget for marketing activities.

OPINION ON BRANDING:

The relevance of branding in SMEs can be seen as a holistic view of a company's marketing strategies. Branding guides the company's to develop a possible structure on which the company seeks to build its brands. It provides the consumers with tips about new product knowledge enhances popularity and establish image groups. It ensures reliability of the quality

of the product along with increase in the business. At the same time it creates market demand for the product and the company.

Branding in SMEs is largely done through network marketing, through the use of various communication means for instance, the internet marketing. The role of branding for the SMEs relate mainly with the quality of the product, which has to be expressed to the consumer. Another important objective of branding for SMEs includes creation of demand for the product in the market. Creation of demand through branding must lead to effective client networking and easy entry into the international markets and thereby create an identity for the product as well as the company which in turn builds reputation and growth of the business.

Effective branding involves successful generation of intense bond between the consumer and the brand enabling smooth communication about the product to the customer. This in turn leads to enhanced market share of the product and establish good brand image.

Branding of products especially for SMEs involve investing large amounts of money for various marketing activities. When SMEs put in all the efforts to brand their products, they in turn expect positive results. However, several factors herald them from affective branding of their products. For instance, with regard to government policies and regulations, the requirement of fulfilling a number of formalities makes the process look like a herculean task. Instead, government can issue guidelines for simple and effective branding. Although government has issued guidelines, some of the SMEs still feel the need for simplified formalities and effective rules of documentation.

Another constraint faced is the ineligibility to reach a large group of customers. Taking into consideration the costs involved in advertisements, fluctuation in prices of raw materials needs to be stabilized so as to have a smooth entry into the market with the help of branding. With already increased competition, SMEs have to seek the help of branding strategies for establishing effective long-term relationship with their clients.

SUPPORT/ASSISTANCE REQUIRED FROM GOVERNMENT FOR BRAND PROMOTION:

While majority of the respondents declined government's assistance and support for promoting their brands, some of the SMEs felt that government should encourage the SMEs by providing them with brand advertisement costs especially for international marketing.

By promoting various products in exhibitions, trade fairs, government at the same time must reduce the exhibition participation fees, which will enable SMEs to participate on a large scale with minimum participation fee, and thereby reach out to a large customer base.

Some of the SMEs also felt the need for subsidy on raw materials, relaxation on tax and VAT and simplification of TDA policy. Government must also act as a facilitator of loans for large investments.

BENEFITS EXPECTED FROM BRANDING:

It was agreed that branding helps in highlighting various features of the product, most importantly, the quality of the product. By highlighting the features of the product, branding helps in building good reputation through improved brand image. It was expressed that quality of product and reliability ensures customers liability, thereby increasing the company's standards and expand business.

Attracting particular customer segment was also one among the benefits expected out of branding. Since the textile sector involves the use of technology, with constant innovation and new technologies expanding client base either through direct marketing or through client networking becomes possible thus enabling the SMEs to enter international markets and increase the demand for the products. Once the products become recognized as branded, SMEs are expected to have a better say on the prices of the product.

SUGGESTIONS:

Most of the respondents declined giving further suggestion, while some of the respondents suggested stability in prices as one of the prime concerns in the cluster. SMEs also suggested government's ability to give concessions on raw materials as well as for export of cotton along with simplification in TDA policy and assistance for loan facilitation. Apart from suggestions dealing with government's involvement, some of the SMEs highlighted persistent labour problems and frequent power interruptions which retard smooth production process.

SECTION C: FINANCIAL DETAILS

TURNOVER

53% of the companies have a turnover of Rs. 5 crores to Rs. 25 crores, while 24% of the companies have a turnover of Rs. 26 crores to Rs. 50 crores.

INVESTMENT IN PLANT & MACHINERY

67% of the respondents invested Rs. 1 crore to Rs. 15 crores in plant & machinery while only 6% of the respondents invest above Rs. 50 crores. 27% of the respondents are found to invest Rs. 16 crores to Rs. 50 crores.

DOMESTIC VERSUS EXPORT SALES

Out of the total sales from among the respondents surveyed, 55% of them are involved in domestic sales while only 45% are involved in exports.

Note on Cluster Branding

As a part of the study, it was also felt important to assess the kind of cluster branding approaches that have been followed by the two sectors. Though it was difficult to find the level of cluster branding activities pursued by the SME's, an effort was made to classify the activities of the various SME's into different heads. These heads were an outcome of the secondary literature review and specifically out of a research initiative, titled, "The role and relevance of marketing in SME's" Towards a new model". The paper tried to classify activities of the SME's into four separate heads, listed as:

1. MWO= Major relevance but minor role of marketing,
2. MDO= Minor relevance and major role of marketing,
3. MLO= Major relevance and major role of marketing,
4. MIO= Minor relevance and minor role

Based on the research outcomes of the paper the marketing activities as proposed are listed below:

MLO – MAJOR RELEVANCE & MAJOR ROLE OF MARKETING

- Marketing – Important for company's success

- Highly relevant
- Competition
- Rewards – maintain market share
- Wholeheartedly adopt & adhere to principles & practices of Mktg.
- Marketing Dept. & of a reasonable budget

MDO – MINOR RELEVANCE & MAJOR ROLE OF MARKETING

- Marketing seen as unnecessary burden
- Organisation as a supplier outside the present the circumstances.

MWO – MAJOR RELEVANCE BUT MINOR ROLE OF MARKETING

- Require Marketing expertise
- Efforts to maintain market share & growth
- Highly relevant – to survive in long term against competitors.
- Organisation spends less time & efforts on marketing activities
- Have sales orientation with fixation on price rather than on any attribute of product/service offered.
- No marketing department, very few staff to formulate strategy

MIO – MINOR RELEVANCE & MINOR ROLE OF MAREKTING

- Similar to MDO, except-not been burdened with a big commitment to marketing
- Competition is effectively absent.
- Does not rely upon marketing strategies on marketing initiatives to generate sales

On the basis of the activities listed above the sample profile has been classified as in Figure 5.1 and Figure 5.2. These activities have also been marked separately in Table 5.1 and Table 5.2 for each company also.

The basic criteria taken into account for placing the SME's into various cells is on the basis of the marketing activities initiated by the respective SME's.

Figure 5.1: Percentage of Textile SME's at various stages of branding activities
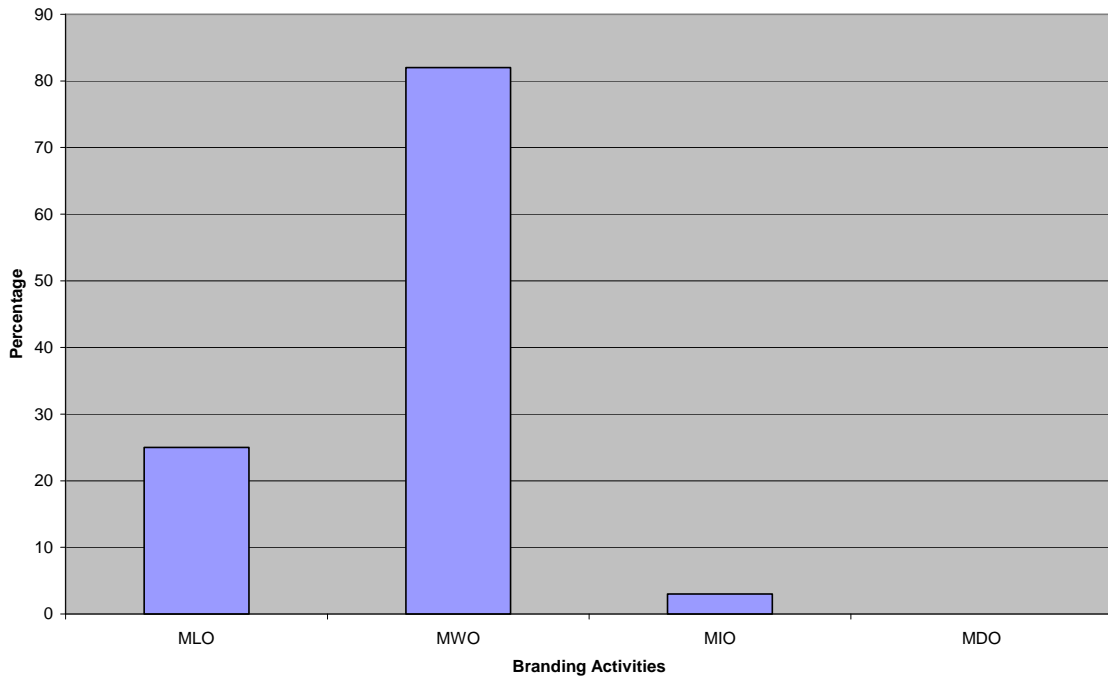
Figure 5.2: Percentage of Auto-components SME's at various stages of branding activities
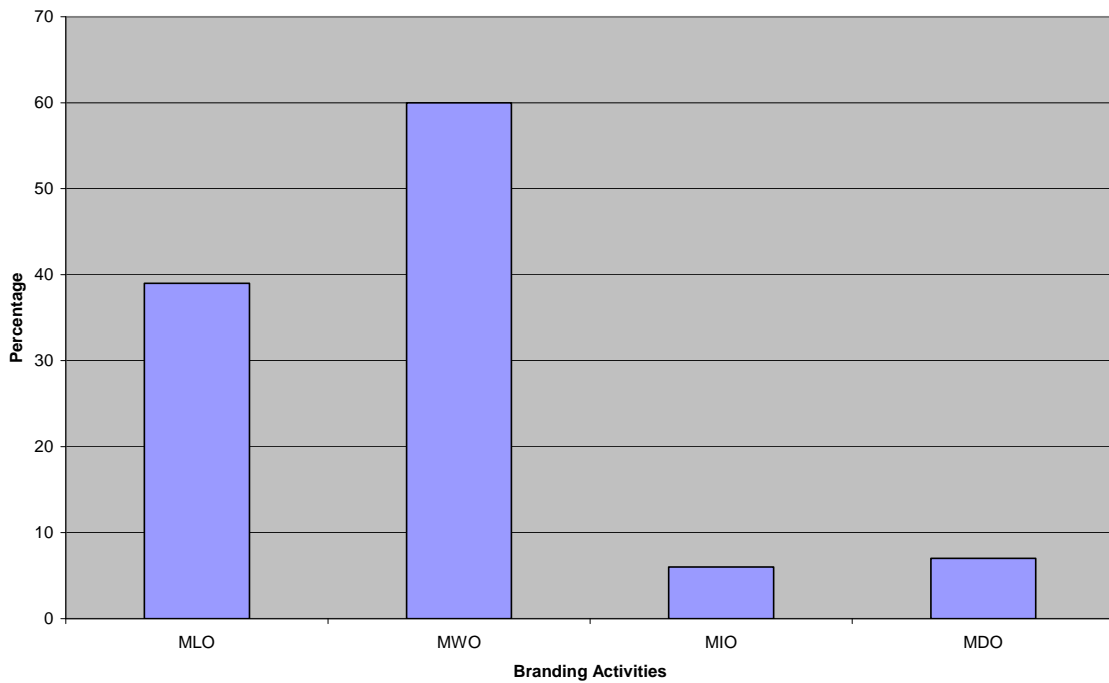
TABLE 5.1: POSITION OF AUTO COMPONENT SME's AT VARIOUS STAGES OF BRANDING ACTIVITIES

S. No.	Company	Product Range	Turnover	Exports	Micro, Small, Medium	Position in Branding Matrix
1	Classic Automotive Industries Pvt. Ltd.	Hydraulic Pressure	15 crores	Yes (10%)		MWO
2	Oriental Hydraulics Pvt ltd	Cylinders, Hydraulic press	75 crores	Yes (40%)		MLO
3	Panse Automotive Pvt. Ltd	Front wall	90 crores	No		MLO
4	Niki Rars	Gears	8 crores	No		MLO
5	Abhilasha Microteck Pvt Ltd		5 crores	No		MIO
6	Elforge Ltd.	Flange	75 crores	Yes (30%)		MLO
7	Integral Auto Component Manufacturers Pvt. Ltd.	Spider Cluster	15 crores	No		MIO
8	Super Sales Industries	Crank and Cross	20 crores	No		MWO
9	Tyco India ltd	Valve & Control Panels	70 crores	Yes (40%)		MLO
10	Niles Engineering Works Pvt. Ltd.	Auto Gear	7 crores	No		MWO
11	Super Seals Pvt. Ltd		60 crores	No		MWO

12	Techno Auto Components Pvt. Ltd.		38 crores	No		MLO
13	Gears and Gears`	Auto Gear	15 crores	No		MLO
14	Rajshi Steering Pvt. Ltd	Steering	70 crores	No		MLO
15	Helical Springs	Springs	7 crores	No		MLO
16	Autoline Industries ltd	Exhausts	100 crores	No		MLO
17	Precision Pressform Industries	Sheet Metal Pressed Components	52 crores	No		MWO
18	Sukrin Automotive Pvt. Ltd	Pumps	40 crores	No		MIO
19	I P Rings	Pipe Cooling Components	85 crores	Yes (30%)		MWO
20	Lear Corporation	Seal Assemblies	55 crores	No		MWO
21	Woory Automotive Pvt. Ltd	Air Break Systems	28 crores	Yes (30%)		MWO
22	Trim India Pvt. Ltd	Door Trans and Plastic Plates	11 crores	No		MWO
23	R.R Technomech Pvt. Ltd	Fabricators	7 crores	No		MWO
24	SKP Enterprises	Tubes and Rolls	6 crores	No		MWO
25	Surin Automotive Pvt. Ltd	Load bodies	6 crores	Yes (10%)		MWO

26	Ganage pressings Pvt. ltd	Sheet metal	80 crores	No		MWO
27	Jayshree Die castings Pvt. Ltd	Auto components	48 crores	Yes (1%)		MLO
28	Alpump	Water pump assemblies	36 crores	Yes (70%)		MDO
29	Sharda Sejong Auto Components ltd	Pumps, Silencers, Breaks	75 crores	Yes (40%)		MLO
30	New Swan Components Pvt. Ltd	….	10 crores	No		MLO
31	Deepak Manufacturing Pvt. Ltd.	…	6 crores	Yes (15%)		MWO
32	Eeshan Automotives	….	8 crores	No		MDO
33	Century Auto Engineering Pvt. Ltd	Tubes	20 crores	No		MWO
34	Veera Industries	Springs	20 crores	Yes (90%)		MWO
35	Ekta Industrial Products Pvt. Ltd.	Handles	25 crores	No		MWO
36	Poona Shims Pvt. Ltd	Oil coolers	50 crores	Yes (3%)		MWO
37	RK Profiles Pvt. Ltd	Auto paints	15 crores	Yes (30%)		MLO
38	MV Koda Oil Seals	Oil Seals	7 crores	No		MLO
39	Pramod Chand Jain & Co	Lights	10 crores	No		MWO
40	ASI components		7 crores	No		MWO
41	India Auto Industries	Oil Seals	10 crores	No		MWO

42	Amrit Rubber Products	Oil Seals	7 crores	No		MWO
43	Shivani Locks Pvt. Ltd	Locks	7 crores	No		MWO
44	Allena Auto Industries Ltd	Engine parts	72 crores	No		MWO
45	KR Rubberite Ltd	Auto Paints	30 crores	No		MDO
46	Indo Autotech Ltd	Auto parts	40 crores	Yes (30%)		MWO
47	National Industries	Auto Parts	30 crores	No		MWO
48	SD Auto Components Pvt. Ltd	Auto Parts	25 crores	No		MWO
49	Horizon Industrial Products Pvt. Ltd	Auto Parts	8 crores	Yes (30%)		MWO
50	Anurena Tristar	Auto Parts	5 crores	No		MWO
51	Sita Singh & Sons Pvt. Ltd		50 crores	No		MWO
52	Presco-Mec Autocomp Pvt. Ltd		50 crores	Yes (30%)		MWO
53	Mitaso Autotech Pvt. Ltd		40 crores	Yes (20%)		MWO
54	Sumati Engineering Co Pvt. Ltd.		9 crores	Yes (20%)		MWO
55	DM Enterprises	Seat Material	11 crores	No		MWO
56	Rajhans Pressings Pvt. Ltd		17 crores	Yes (30%)		MLO

57	Iljin Automotives Pvt. Ltd	Air conditioning assemblies	68 crores	Yes (25%)		MWO
58	Supreme Treves Pvt. Ltd	Air conditioning assemblies	30 crores	Yes (20%)		MWO
59	Liaison Inc	Panels	30 crores	Yes (20%)		MWO
60	Bailey hydropower India Pvt. Ltd	Engine Assemblies	80 crores	Yes (10%)		MLO
61	Kyung-shun Automotives Ltd	Silencers & Control Valve	60 crores	Yes (20%)		MLO
62	Ace Boldretti India Pvt Ltd.	Automobile fans	80 crores	Yes (40%)		MLO
63	Precision Tool Tech Pvt Ltd.	Seat Assemblies	25 crores	Yes (20%)		MWO
64	Tesa Automotive Components	Gears & steering	15 crores	Yes (20%)		MWO
65	National Engineering Industries Ltd	Bearing	52 crores	No		MLO
66	ER Auto Pvt. Ltd	Sheet Metal & Seat Assemblies	26 crores	No		MWO
67	Ashoka Machine Tools Corporation	Machine Tools	40 crores	Yes (20%)		MLO
68	SBR Auto Components Pvt. Ltd.	Dye Casting Components	14 crores	No		MWO
69	SBS International Pvt. Ltd.		50 crores	No		MWO

70	Kansal Industries	Frame Assemblies	90 crores	No		MWO
71	Chandra Engineers	Sheet Metal	30 crores	No		MWO
72	Losung Automation Pvt. Ltd	Control Panel	6 crores	No		MWO
73	Wonjin Autoparts India Ltd	Gears	40 crores	Yes (70%)		MWO
74	Eften Engineering Pvt. Ltd.		40 crores	Yes (40%)		MWO
75	Bright Autoplast Pvt. Ltd		96 crores	Yes (35%)		MLO
76	Ideal Components	Bike Stand	12 crores	No		MDO
77	PHA India Ltd.	Car Door Assemblies	100 crores	Yes (30%)		MDO
78	ER Automotives	Fasteners, Gears	60 crores	Yes (60%)		MLO
79	Hi Tech Gear Ltd.	Gears	80 crores	Yes (30%)		MWO
80	Magnum Components Pvt. Ltd	Sheet Metal	54 crores	No		MWO
81	I H Engineers	Hardening Machines	6 crores	No		MWO
82	Suman Auto Parts Pvt. Ltd.		18 crores	No		MWO
83	SB Engineers	Gears	80 crores	No		MLO
84	Ionbond Coatings Pvt. Ltd.	Tools	10 crores	No		MLO
85	Pheda		70 crores	No		MWO
86	Siddheshwar	Gears & Cranks	72 crores	Yes (5%)		MLO

87	Shivani Locks Pvt. Ltd	Locks	60 crores	Yes (95%)		MLO
88	Sun Beam Auto Pvt. Ltd		86 crores	Yes (10%)		MWO
89	Imperial Auto Industries Ltd		80 crores	Yes (50%)		MLO
90	Rambal Ltd.	Fastener Belts	25 crores	Yes (60%)		MWO
91	Hodra Finc Blanc Pvt. Ltd	Break pads	22 crores	Yes (80%)		MLO
92	Stork auto engineering Pvt. Ltd.	Exhausts	7 crores	Yes (60%)		MWO
93	Technical Stamping automotives ltd	Car Door assemblies	85 crores	Yes (30%)		MIO
94	Meenakshi Polymer Pvt. Ltd.	Auto seats	15 crores	No		MWO
95	Shiv Energy Pvt. Ltd	Engine Assemblies	68 crores	Yes (40%)		MWO
96	Yashiko Buhmwoo India Pvt. Ltd.	Engine Assemblies	25 crores	Yes (50%)		MDO
97	Premier automotives	Water Pumps	48 crores	Yes (40%)		MDO
98	Hi-Rick Industries Pvt. Ltd.	Rubber bolts	36 crores	Yes (75%)		MLO
99	New Tech Auto Tech Pvt. Ltd.	Sockets, flange, spider	36 crores	Yes (80%)		MLO

100	Unity Forge Pvt. Ltd	Flange	40 crores	Yes (30%)		MLO
101	NF Forging India Ltd.	Engine& speed meter assemblies	50 crores	Yes (80%)		MLO
102	Oscar Auto Corp.	Bearing	10 crores	No		MIO
103	Crescent Autocomp Pvt. Ltd	Seal Spares, Pumps Petrol Tanks	60 crores	No		MWO
104	Meenakshi Polymers Pvt. Ltd		70 crores	No		MIO
105	Precision Equipment & Automotives Pvt. Ltd.	Auto Gear	35 crores	Yes (70%)		MLO
106	Pacco Industrial Corporation		18 crores	Yes (60%)		MLO
107	HM Auto Industries	Gear Box spare parts	15 crores	No		MWO
108	Bohra rubber Pvt. Ltd	Molded rubber components	9 crores	Yes (25%)		MLO
109	Metalika Products India Pvt. Ltd.	Fuse pockets	6 crores	Yes (85%)		MLO
110	Urastun Metal Industries	Auto products	30 crores	No		MLO
111	Super Seals India Ltd	Oil seals	40 crores	Yes (25%)		MLO
112	Encon Furnaces (P) Ltd	Nuts	15 crores	Yes (60%)		MLO

- MWO= Major relevance but minor role of marketing, MDO= Minor relevance and major role of marketing, MLO= Major relevance and major role of marketing, MIO= Minor relevance and minor role

TABLE 5.2: POSITION OF TEXTILE SME's AT VARIOUS STAGES OF BRANDING ACTIVITIES

S. No.	Company	Product Range	Turnover	Exports	Micro, Small, Medium	Position in Branding Matrix
1	Acshaya Group of Companies	Fabric	70 crores	No		MLO
2	Sun Knitting Co.	Garments	10 crores	No		MLO
3	The Southern Textiles Limited	Yarn	30 crores	No		MWO
4	Mittie Apparels	Garments	10 crores	Yes (100%)		MWO
5	Styles Corporation	Garments	35 crores	Yes (100%)		MWO
6	5 Star Knits	Garments	7 crores	No		MWO
7	Royal Classic Mills (P) Ltd	Garments	94 crores	Yes (60%)		MWO
8	Ashu Impex	Garments	6 crores	Yes (100%)		MWO
9	Affairs Garments	Garments	16 crores	Yes (100%)		MWO
10	Aim Garments	Garments	10 crores	Yes (100%)		MWO
11	Citi Fashions	Yarn	5 crores	No		MWO
12	King Garments	Garments	5 crores	No		MWO
13	Ohm Knit Fashion	Garments	55 crores	Yes (100%)		MWO
14	Talma Clothing Co. Pvt. Ltd.	Garments	6 crores	Yes (100%)		MWO
15	Poomer Hosieries	Garments	28 crores	No		MLO

16	Scotts Garments Ltd.	Garments	100 crores	Yes (100%)		MLO
17	Colortone Apparels (P) ltd	Garments	5 crores	No		MWO
18	Vishnu Lakshmi Mills (P) Ltd.	Yarn	18 crores	No		MWO
19	Anamika Enterprises Pvt. Ltd.	Yarn	59 crores	No		MWO
20	Sri Karthik mills	Yarn	65 crores	No		MWO
21	Dixcy	Garments	72 crores	Yes (100%)		MWO
22	Titan Knit Fashions	Garments	7 crores	Yes (100%)		MWO
23	Warsaw international	Garments	68 crores	Yes (100%)		MWO
24	Chandra Cotton Fabrics	Garments	33 crores	Yes (80%)		MWO
25	Fashion Hub	Garments	6 crores	Yes (60%)		MLO
26	CBC Fashions	Garments	28 crores	Yes (60%)		MLO
27	Krishnaveni Hosiery Mills	Garments	15 crores	Yes (100%)		MWO
28	Sri Ranga Textiles (p) Ltd.	Yarn	10 crores	No		MWO
29	B.L. International Clothing Pvt. Ltd.	Garments	6 crores	Yes (100%)		MWO
30	Glory House	Garments	30 crores	Yes (80%)		MWO
31	Modem Q-Tex Clothing	Serwani	5 crores	No		MWO
32	NISA	Garments	28 crores	Yes (60%)		MWO

33	Rajanarayan Textiles ltd.	Yarn	42 crores	Yes (25%)		MWO
34	A-hill apparel	Garments	60 crores	Yes (100%)		MWO
35	SND Inc	Garments	12 crores	Yes (100%)		MWO
36	Raju Textiles Agencies	Fabric	32 crores	No		MWO
37	Laxminarayanan Textiles	Fabrics	12 crores	No		MWO
38	Hanung toys and textiles ltd	Fabric	60 crores	Yes (80%)		MLO
39	Sri Sowdambiga fashions	Fabrics	28 crores	Yes (100%)		MWO
40	Emmef Tex	Towels, Bed Sheets	31 crores	No		MWO
41	Saravana garments	Garments	58 crores	Yes (60%)		MWO
42	PSSB Silk House	Silk	28 crores	No		MWO
43	Kasiraja Textile	Garments	35 crores	Yes (10%)		MWO
44	Guru Ragavendra Textiles	Shirts	45 crores	No		MWO
45	Sri Vinayaka silks	Saree	15 crores	No		MWO
46	Raj Vinayaga exports	Garments	30 crores	No		MWO
47	Stitchers India	Garments	5 crores	Yes (100%)		MWO
48	BKA Fabrics	Garments	30 crores	No		MWO
49	Signet Corporation	Garments	20 crores	Yes (100%)		MLO

50	Vipul Corporation	Pants	5 crores	No		MWO
51	Suguna Mills (P) Ltd	Yarn	60 crores	No		MWO
52	Suryaprabha Mills (P) Ltd	Yarn	60 crores	No		MWO
53	Sree Ramakrishna textiles	Fabrics	75 crores	Yes (10%)		MWO
54	Tara handlooms	Sarees	8 crores	No		MWO
55	SS Corporation	Fabrics	60 crores	No		MWO
56	P. Mohanraj and sons	Sarees and Chudidar	75 crores	No		MWO
57	Damini	Baba suit	6 crores	No		MWO
58	KRF Limited	Garments	32 crores	Yes (100%)		MLO
59	Katyaini	Sweater, T. Shirts	75 crores	Yes (80%)		MLO
60	Spring Overseas	Sarees	50 crores	Yes (100%)		MLO
61	Pearl Fashions	Garments	16 crores	Yes (50%)		MWO
62	Visi exports	Garments and Yarns	28 crores	Yes (20%)		MWO
63	Sathya Imppex	Garments	15 crores	Yes (60%)		MWO
64	D-fabs	Garments	60 crores	Yes (25%)		MWO
65	MGM exports	Garments	27 crores	Yes (55%)		MWO
66	Kaytee Corporation ltd.	Garments	80 crores	Yes (75%)		MWO
67	OXO Apparels	Garments	50 crores	Yes (60%)		MWO
68	MSK	Garments	52 crores	Yes (100%)		MWO

69	Busy Bee Garments	Garments	7 crores	Yes (100%)		MWO
70	Gaurav Exporters Pvt Ltd.	Garments	60 crores	Yes (100%)		MWO
71	Sharada Sampat Polypack	Embroidery	5 crores	Yes (30%)		MLO
72	Cotton India ltd.	Garments	7 crores	No		MLO
73	Ashu Impex	Fashion wear	20 crores	Yes (60%)		MWO
74	Jaypee Spintex ltd	Garments	10 crores	No		MLO
75	Pomy Enterprises	Fashion wear	10 crores	Yes (100%)		MLO
76	Global Fabrics	Garments	10 crores	Yes (50%)		MLO
77	V.K Fashions	Garments	6 crores	No		MLO
78	Sarita Handa	Home Furnishings	100 crores	Yes (100%)		MLO
79	Echha Exports	Garments	6 crores	Yes (100%)		MWO
80	Maruti Rayons Company	Silk	6 crores	No		MLO
81	Vrundavan Silk mills	Silk	5 crores	No		MWO
82	Ankur Fabrics	Fabrics	8 crores	No		MWO
83	Shiv Shakti	Yarn	7 crores	No		MWO
84	Padmavathi	Silk	6 crores	No		MWO
85	Gaurav International	Cloth	55 crores	No		MWO
86	Rama yarns	Yarn	6 crores	No		MWO
87	Kapadia garments	Garments	7 crores	No		MWO
88	Fashions Tex	Silk	5 crores	No		MWO

89	Dhansukhlal Nanbhai Chevli	Silk	6 crores	No		MWO
90	Sonali	Cloth	5 crores	No		MWO
91	Kadmawala	Printing	6 crores	No		MWO
92	Bhawani Fashions	Fashion wear	5 crores	No		MWO
93	Couple Overseas	Garments	15 crores	Yes (100%)		MLO
94	Royal Silk Splendor Pvt. Ltd.	Garments	6 crores	Yes (100%)		MWO
95	Pee-Dee garments	Pants	6 crores	No		MWO
96	Pyoginam	Garments	26 crores	Yes (100%)		MLO
97	Strange Export Pvt. Ltd	Garments	25 crores	Yes (100%)		MLO
98	R.B. Creations	Garments	40 crores	Yes (100%)		MWO
99	Sunstar Fashions	Garments	10 crores	Yes (100%)		MWO
100	Dhandapani Spinning Mills Ltd.	Yarn	28 crores	No		MWO
101	Radnik exports	Garments	30 crores	Yes (100%)		MWO
102	Akshaya creations	Garments	12 crores	Yes (100%)		MIO
103	Delux Knitting Mills	Garments	32 crores	Yes (100%)		MWO
104	Shree Balaji Impex	Jeans	6 crores	No		MIO
105	Petals Children Wear	Garments	20 crores	No		MLO
106	Babu Apparels	Garments	7 crores	Yes (100%)		MIO

107	Fashion Plate	Garments	5 crores	Yes (80%)		MWO
108	Narayana International	Garments	70 crores	Yes (80%)		MWO
109	R.M.X. Joss	Garments	70 crores	Yes (90%)		MLO
110	Creative Impex	Garments	55 crores	Yes (90%)		MLO

* MWO= Major relevance but minor role of marketing, MDO= Minor relevance and major role of marketing, MLO= Major relevance and major role of marketing, MIO= Minor relevance and minor role

CHAPTER 6

RECOMMENDATIONS & CONCLUSIONS

The study has been fairly exhaustive and a learning for IIFT. It gives new insights into how technology branding for SME's are relevant and the current situation analysis in the various sectors selected. Though the pilot study helped us to identify the final two sectors for in-depth study, also it threw some instances of what kind of branding activities are being undertaken by the various sectors.

The indepth study further undertaken of the two sectors gave interesting insights on the basis of which some of the recommendations are being made in this chapter. Based on the study done by **Wong, & Merrilees (2005)** identified four critical constructs, namely brand orientation, brand barriers, brand distinctiveness and brand-marketing performance. *Brand orientation* is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands **(Urde, 1999).** *Brand distinctiveness* provides a direction for planning and a guide for implementation (**Wong, & Merrilees, 2005**). *Brand barriers* based on the inference that many SMEs perceive they have time and resource constraints to conduct branding activities. **So, to them, it is more or less 'cost' rather than 'investment'.** *Brand -marketing performance* may be evaluated by looking into its financial value **(Feldwick, 1996),** or on its equity **(Aaker, 1996),**or through brand report card **(Keller, 2000),** or on brand building process **(de Chernatony, 2001)** or a combination of all (**de Chernatony, 2001**). They had also done a study of SMEs of **Australia** by opting case study method. Eight cases were selected for study and SMEs were selected from services industry to have some control over the industry context. On the basis of the study they had concluded that the firms can have branding activities as illustrated in Figure 6.1.

The study shows that the SME's are right now involved in activities of branding which can be classified as per the **Wong, & Merrilees (2005)** in the minimalist kind of segment. What is however, desired that the firms should typically move from the

minimalist scenario to the integrated scenario where the stronger marketing and branding activities are pursued. At this stage branding becomes integral to the entire process.

Figure 6.1

Table II Branding archetypes

Type	Branding activities	Brand distinctiveness	Brand orientation	Brand performance
Minimalist	Low-key marketing across the board	Low	Low	Low
Embryonic	Stronger marketing but not branding; very informal branding; seen as optional; narrow promotional tools; word of mouth	Low/medium	Medium	Medium
Integrated	Stronger marketing and branding; either informal or formal branding; branding integral, not an option; wider promotional tools	Medium/high	High	High

If one were to now consider Figure 6.2, the activities of the SME's are clustered in the four cells as: Proactive branding, Corporate/Technology Branding, Product process branding and Cluster branding. The study recommends a 4 x 4 matrix format to the entire approach.

Figure 6.2: "Readiness-Initiatives" Matrix

As per the figure most SME's are today in the proactive branding stage where the degree of branding indispensability is low and the degree of readiness is also very low. This is illustrated in the cell A. From Cell A, SME's have two options to consider. Either, they

move to Cell B or to Cell C. Currently, as there has been a major clusterisation in the industry and most SME's prefer to remain together, it becomes imperative that the SME's look at marketing the clusters and in the process they stand to gain. For instance, in the field study conducted for this research the clusters of Chennai, Surat or Coimbatore were covered, which represents the sectors and the competency they project in it. However, in the long run the strategy will not be feasible as collectively they may stand to gain, but individually the SME will be unable to project itself. This would lead to long term losses in markets and prices. At this stage, SME's have to also look at branding activities concerning themselves, hence moving from Cell A to Cell C should be a simultaneous step, towards Corporate/Technology branding. In this Cell he will try to develop his name or the corporate name and alongwith it try to establish the technology in the market. The technology may be indigenous or unique, in which case he stands to gain even more and can be highlighted better. The kind of activities that he must now target is focus on the development of company name, logo and other collaterals that helps to establish his company. Simultaneous efforts to be made also made with establishing the technology also. Finally, the SME's last endeavour has to move from Cell C to Cell D, where the company can be in a position to brand his product and process. At the same time if the cluster branding approach is adopted it helps the SME's to establish the product or the process of the cluster for which it is known and that kind be established as a name which has a specific cluster origin.

The activities listed under the minimalist, embryonic and technology is now integrated in the four cells and Figure 6.3 illustrates the three tier approach to the process of proactive branding. According to **Wong, & Merrilees (2005)** the activities listed in the three stages branding types will help the SME's move from Cell A to Cell C or Cell B and finally Cell D. There is a hierarchy that gets formed when the activities are listed as low to high as shown in Figure 6.3.

SMEs are expanding fast in recent times. Developing a global brand image through nurturing fragmented brands, processes or corporate names ensures advantages like economies of scale in marketing cost, lower complexity in functioning and low entry barriers.

Figure 6.3:'Archetypes -Initiatives Fit' Model

Branding Archetypes	Branding Initiatives
Integrated	Product/Process Branding
Embryonic	Corporate/ Technology Branding
Minimalist	Cluster Branding Proactive Branding

Readiness & Indispensability (vertical axis, pointing up)

Branding Archetypes   **Branding Initiatives**

In this context, this study will guide potential SMEs where branding strategy may be practiced in a standardized or customized manner. However, the proposed verbal model is generic in nature and may be applied to different sectors in different countries. One of the significant aspects of the model is to guide how the SMEs have to be geared themselves for the incorporation of the branding exercises. SMEs need to start thinking, planning and investing on a long-term basis in key areas such as customer service, company expertise, its employees, its values and guiding principles that are essential in defining their brand vision and strategy. The aspect of integrating the branding elements is merely not about putting a name but a process of internalization within the organizations and evaluates the readiness of them.

ACTIVITIES TO BE PURSUED AS A PART OF THE MINIMALIST STAGE

1. Focus more on trying to establish the brand of the SME, for which it is important to develop a brand name for the company and technology. Developing collaterals in the form of brochures, specification sheets, letterheads and setting up of website for interface with external stakeholders.

2. It should be ensured that all communication of the SME's must carry the logo and the name of the company in visible form to all stakeholders.

3. The website should be treated as a portal and not as a website. Continuous updating and looking at generating queries from the website must be considered.

4. The SME's should also try and integrate his activities alongwith the cluster and the cluster should be able to reciprocate accordingly.

5. At this stage the cluster should simultaneously try and develop an identity of its own, through creation of a unique identity logo and name. Later, the logo and the signature line (if any) must be integrated in all communication and the SME's of the cluster must integrate the theme in all their collaterals. Both of these would remain a parallel process

6. Marketing activities in terms of identifying markets, developing the product differentiator and looking at focal points to highlight the product will be important

ACTIVITIES TO BE PURSUED AS A PART OF THE EMBRYONIC STAGE

1. At this stage when the company has to move from the minimalist to the embryonic stage, the company has to move from the low end marketing to more visible marketing.

2. The logo, name and the other collaterals developed in the first stage needs to be leveraged in the long term embryonic stage.

3. At this stage the SME's need to integrate more and more marketing related activities to highlight the product and the product differentiator.

4. The activities should be more individual focus and the internal alignment that may be required has to be highlighted.

5. The embryonic stage also has to look at product and non-product related differentiation that can be highlighted in the company

6. The embryonic stage also involves planning more frequently for beyond the cluster activities and look at targeting the individual markets

ACTIVITIES TO BE PURSUED AS A PART OF THE INTEGRATED STAGE

This is the most involved stage for the SME's and the challenge will be to move from the cluster stage or the embryonic stage to the integrated stage. Some of the activities that can be considered at this stage will be:

1. At the integrated stage the company will be required to completely overhaul the process and the product part of the activity.

2. It is also expected that the company will have borne the fruits of the results in the embryonic stage and the transition to the integrated stage will be easier given the resources the company has to plough back into the business

3. The stage will also mean that the company should be able to foray more as an individual and break free from the cluster to create its own brand identity

4. Activities pertaining to promotion, marketing and publicity must be more proactive and budgeted for separately.

In addition to the above separate recommendations have also been made sector wise for the kind of branding activities required at each stage of the model.

AUTO-COMPONENTS INDUSTRY

ACTIVITIES TO BE PURSUED AS PART OF THE MINIMALIST STAGE

1. The Auto Component SMEs need to enhance their branding activities by highlighting more on the component engineering and designing capabilities aspects in their brochures, specification sheets and websites so as to increase their share.

2. In order to ensure that all communication of the SMEs is conveyed the auto component SMEs should become design savvy with respect to their logo so that the company becomes visible and make its presence felt. SMEs have to recognise that a good product is not enough today; it should be accompanied by an image to go with it, especially if it is poised to meet the global players.

3. The SMEs should try and integrate its activities with that of the activities of the cluster and try to create an identity of its own. For the clusters, it could mean increased business and development as most of the major automobile manufacturing plants as usually located around the areas where the clusters operate, who also constitute their vendor network.

4.	The auto component SMEs should treat their official websites as portal in order to improve their information sourcing related to technology/ market, improve their customer relations, reduce communication time, research and development etc. A general consensus in the cluster needs to be maintained with respect to emerging market developments, functional automation and cross functional process integration etc.

ACTIVITIES TO BE PURSUED AS PART OF THE EMBRYONIC STAGE

1.	As the Auto component SMEs move from minimalist to embryonic stage, subsequently their marketing activities have to move towards visible marketing. This can be achieved by maximizing the impact of visible marketing which include a full range of design services such as:

- Brand design
- Logos, stationery, folders, business cards
- Brochures, leaflets, flyers, company reports
- Livery and signage
- Catalogues, price lists, invitations

2.	Online marketing can also help auto component SMEs to develop an attractive, highly functional website which can present a great image for the company, enables various customers and potential customers to get the information they need to do business with the company and convert lookers into bookers and thereby generate online leads and sales.

3.	The auto component SMEs have to evolve a process where they can distinguish the differences of a product offering from others so as to make it more attractive to a particular target market. This involves differentiating the products from competitors' products as well as one's own product offerings. this can be achieved by ensuring-

- Quality, which can be accompanied by differences in price
- Differences in functional features or design of the product
- Sales promotion activities of sellers and, in particular, advertising
- Differences in availability (e.g. timing and location).

ACTIVITIES TO BE PURSUED AS PART OF THE INTEGRATED STAGE

This stage involves a movement from cluster stage or embryonic stage to the integrated stage. Some of the activities that can be considered by the auto -component SMEs at this stage are as follows:

1. The Auto component SMEs will be required to overhaul the process and the product part of the activity.

2. At this stage the it is expected that the Auto component SMEs would have borne the fruits and their move towards the integrated stage would be easier given that all the resources of the SMEs will have to be invested back into the business, thereby making the marketing activities all the more proactive.

TEXTILES INDUSTRY

ACTIVITIES TO BE PURSUED AS PART OF THE MINIMALIST STAGE

1. In this stage the focus is more on trying to establish the brand name, as it is the indicator of the attributes of the product. Textile SMEs should focus more on developing collaterals such as company brochures, letterheads, setting up websites etc so as to establish interface with the stakeholders.

2. Establishing a logo and company's name helps the textile SMEs to initiate communication with their visible stakeholders. A good name will also help in brand recall provided the product is satisfying the consumer.

3. The textile SMEs should try and integrate their process and product activities with that of the activities of the cluster and try to create an identity of their own. This could mean increased business and development as the SMEs also constitute their vendor network.

4. The textile SMEs should ensure that their official websites act as information portal. This will enable them to improve their information sourcing related to new technologies, new markets, improved their customer relations, ensure effective communication, research and development etc. A general consensus in the cluster needs to be maintained with respect to emerging market developments and cross functional process integration etc.

ACTIVITIES TO BE PURSUED AS PART OF THE EMBRYONIC STAGE

This stage involves a company to move from minimalist to embryonic stage which requires high end marketing, i.e. visible marketing such as highlighting various feature aspects of the product, for instance: Stain resistance, UV resistance, Softness, Stretch, Moisture management, Waterproof, Quality etc.

1.   The brand differences are usually minor among the textile clusters, however differentiation can be achieved in the form of <u>packaging</u> or an <u>advertising</u> theme. The physical product in the textile clusters does not change, however, differentiation can be achieved through the functional aspects of the product or service, how it is distributed and marketed, or who buys it. The major sources of product differentiation are <u>quality</u>, differences in functional features or design, sales and <u>promotion</u> activities of sellers and, in particular, advertising etc.

2.   Textile SMEs at this stage has to look at product and non-product related differentiation so that the company gets highlighted.

3.   Also the SMEs at this stage should focus more on targeting individual markets.

ACTIVITIES TO BE PURSUED AS PART OF THE INTEGRATED STAGE

The Textile SMEs in this stage usually face the challenge of moving from the cluster stage/ embryonic stage to the integrated stage which involves the following activities:

1.   At this stage the SMEs should look at overhauling both the process and the product part of the activities.

2.   At this stage as the textile companies would have already borne the results in the embryonic stage, the companies should put back the resources earned into the business.

3.   This also implies that the SMEs should be able to create individual identity of their own and thereby break free from the cluster.

4.   Accordingly the Textile SMEs need to change their marketing and publicity activities.

SOME OTHER KEY RECOMMENDATIONS

Increase institutional collaboration

Stronger collaboration between Chambers of Commerce and Trade and the various manufacturing associations would help increase the level of support.

Improve the image of the clusters

Changing the image of the clusters with both internal and external developments and assistance, would be an important step. If firms believe that a particular cluster is attractive to establish collaborations, it requires allowances on part of the government to develop the growing activities of the cluster. In strengthening the cluster's entrepreneurial image, the government and Trade bodies should promote key specific strengths or 'magnets of attraction'. The establishment of Technology Centre's and Collaborations with academic institutions should be made as a part of the policy.

Role models

Successful local SMEs should be profiled and publicized. They should be described as 'profiles of success'. Approaches include 'SME of the Year' awards in various categories (regional awards, sectoral awards, awards for biggest SME job creator, best exporter, etc.), regular newspaper reports, press releases when particular progress has been made and interviews on TV/radio. It is useful to emphasise the contributions made by these SMEs towards the development of technology and branding.

Increase awareness of opportunities

Special promotions, where not already conducted, and promotional material aiming at increasing publicity and awareness of branding opportunities for new SMEs start-ups amongst all segments of the Industry should be developed. While there are already some initiatives on these lines, the experience of companies show that this needs to be intensive and continuous. Further, focus on innovative technology branding should be initiated by the respective industry associations.

Expand technology institutions and activities

Given cost structures, SMEs increasingly need to compete on technology and other added value features that give them competitive edge on international markets. [1] The

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[1] Source: http://www.oecd.org

establishment and further development of external R&D services could help local SMEs to innovate, for instance on the line of an incubation centre. The work of the Technology Centre and Laser Institute in Mittweida and the InnoRegio activities are examples of key regional institutions that foster knowledge transfer to SMEs and should be actively supported and encouraged to expand their scope of work. It might be that the clusters perceive themselves as too small to create by themselves the innovation support infrastructures necessary for SMEs. In this case, collaboration with other clusters or thematically related higher education institutions should be sought.

Encourage university-industry linkages

Increased enterprise by the academic sectors and stronger links between regionally and locally present higher education institutions and the local SME sector, should continue to be encouraged and promoted. This should also refer to commercialisation of academic research, technology and innovations.

Promote business-to-business mentoring

Larger companies can play an important role in encouraging SME innovation and exporting by making available expert managers to SMEs for short advisory sessions. This can be very effective and valuable to many companies at the early stages of their development.

Promote the internationally traded service sector

A strategy and focus by the clusters on the service sector in their regions as a source for internationally traded sector should be developed further. The establishment of a special Task Force to develop a regional and local strategy on the service sector might be considered as an important step. This Task Force should ideally have representatives of various clusters, government official and especially expert representatives from service business companies (both domestic and international).

Focus on growth enterprises

Industry associations should constantly review the scope of their support to SMEs and seek to focus support in a more concentrated way, across all sectors, on those companies that have the best prospects for future growth. Other SME company segments should continue to have support relevant to their needs and stage of development, for example,

website information, selected business development advice, information on quality standards and training.

Consider the establishment of business incubators

As mentioned earlier in the earlier point, stronger emphasis should be placed by the government and industry associations and associations of clusters, on developing and extending incubation centres as a way to provide appropriate premises for SMEs. To ensure that the range of services provided matches with global best practices, thus providing the opportunity for 'winning' and regular experience sharing with successful and innovative incubators in other countries should be explored. For clusters it could be recommendable to conduct a study on the need and possible utilisation of such business incubators or technology centres in their respective regions.

Inter-firm linkages to enhance collective capabilities and competitiveness

Greater scope and more opportunities for inter-firm linkages for enhanced collective efficiency, technological and innovation capabilities, and hence competitiveness should be focused upon.

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QUESTIONNAIRE FOR THE SME- ENTREPRENEUR

PART A: INDUSTRY MARKET POSITIONING

1. What are the nature of product mix that you deal in?
2. Briefly explain about the market scenario with respect to the following aspects about the product?
   a. Competition
   b. Market size
   c. Classification of the market (On the basis of product, services, related industry or any other type)
   d. Government regulations and policy
   e. Recent changes that have been observed in the context of the product and the related market
3. Are you in exports?
4. If yes, which are the country and products?

Country	Product Mix	Size of the market/turnover	Major clients	Major competitors

5. Do you think you/members in your industry are practicing any unique/indigenous technology? (Y/N). If yes, please mention those TECHNOLOGIES in detail:

   1.
   2.
   3.
   4.
   5.
   6.
   7.
   8.
   9.
   10.

6. What are the efforts being made by you to highlight the indigenous/uniqueness of the product?

7. Please RANK those UNIQUE/INDIGENOUS technologies on 1-5 scale where

a. 1 =completely disagree; 5= completely agree

NAME OF THE TECHNOLOGY(S)	STATEMENTS	RANK				
		1	2	3	4	5
	The technology is completely new innovation					
	The technology is advanced modification of an existing technology					
	The technology is as a core technology					
	The technology is used as a platform technology					
	The technology is reliable					
	The technology is costly					
	The technology is complex					
	The technology is hard to be substituted					
	The technology is hard to be imitated					
	The technology has a great market potential					

SECTION B: READINESS FOR BRANDING

8. Do you think the following activities are being pursued by your organization?

- Does your company or the products or technology have any identity-logo?
- Does your company or the products or technology have any message(s)?
- Does your company or the products or technology have any Identity Guidelines to maintain the integrity of the logo and message delivery?
- Does your company or the products or technology have a continuous system of monitoring where, when and how the logo and the message are used?
- Does your company or the products or technology create and implement communications channels (Brand Talk and Brand Team Notes) for distributing recent news about the branding initiative?
- Does the company or the products or technology have any kind of associations with the industry associations and institutions?
- Does your company or the products or technology have a website?
- Does your company or the products or technology continuously monitor the Association web site revamp endeavors and schedules?

9. Please RANK those following statements on 1-5 scale where
   a. **1 =completely disagree; 5= completely agree**

STATEMENTS	RANK				
	1	2	3	4	5
There are no dominant competitors					
The product has unique competitive advantage					
The product is clearly defined					
The product has a good reputation					
There is a separate marketing department					
You have a new brand identity-logo					
There are key brand messages					

10. Tick the following

ACTIVITIES UNDERTAKEN	Does your Company have a name?	Does your Company and product have separate names?	Does your company have a logo?	Does your company and product have a separate logo?	Does your company have a website?	Does your company have a separate sales and marketing department?	Does your company have sales staff or company representatives handle sales?	Does your company have a guideline laid down for marketing activities?	Does your company have trademarks and patents on any of the product or technology?	Does your company participate regularly in buyer seller meets, exhibitions, trade fairs?

11. What are your opinions on the following activities in the context of selling the product you are dealing in?
     a. **1 stands highly agree and 5 stands for highly disagree**

STATEMENTS	RANK				
	1	2	3	4	5
Having a company name					
Having separate name for product and company					
Having a company logo					
Having a separate product logo					
Having a company website					
Separate sales and marketing department					
Participating in buyer seller meet, exhibitions and trade fairs					

PART C: ORGANISATION PROFILE

Name of the organization:

Name & Designation of the head of the organization:

Respondent name and designation:

Address:

Contact Details:

Turnover:

Product Details:

RESPONDENTS FROM INDUSTRY ASSOCIATION

1. Confederation of Indian Textiles (CITI): Mr. D.K. Nair

2. Northern India Textile Manufacturers Association (NITMA): Mr. Rajiv Sharma

3. Automobile Component Manufacturer's Association (ACMA): Mr. Vishnu Mathur

4. NASSCOM: Ms. Sangeeta Gupta

5. Manufacturers Association for Information Technology (MAIT): Mr. Vinnie Mehta

6. Electronic Industries Association of India (ELCINA): Mr. Srinivasan

7. Indian Electrical and Electronics Manufacturer's Association (IEEMA): Mr. J. Pande

CITI DATABASE

COMPANY	TURNOVER	PRODUCT	CONTACT ADDRESS
GPI TEXTILES LTD.	2.5 mln	Spinning	312-318, 3rd floor, Ashoka Hotel, Chanakyapuri, New Delhi-21
			Tel:26877981
HP COTTON TEXTILE MILLS LTD.		Spinning	1E/12, Jhandewalan Extension, New Delhi - 11 00 55 (India)
			Phone:23636663, 23636664, 51540471
JAGJANANI TEXTILES LTD		Rotors	F-14, Ashok Vihar, Phase –I, New Delhi-52.Phone: 27241916
ORIENT SYNTEX		Spindles	910, Chiranjiv Tower, 43, Nehru place, New Delhi-19. Phone: 26441015-17
SANGANERIAYA TEXTILES LTD.		Spindles	709, Pragathi Tower, 7th Floor, 26 Rajendra Place, New Delhi-60. Phone: 25711858
BHILWARA TEXTILE MILLS		Looms	LNJ Bhilwara Towers, A-12, Sector I, Noida.Phone: 0120-2541810-16

GINNI FILAMENT LTD.		Spindles, Compact Spg, Rotors.	8th Floor, Padma Towers-II, 22 Rajendra Place, New Delhi-08. Phone: 25735852
TT Limited		Mayer & Cie Knitting MAchines	879, Master Prithvi Nath Margh, Karol Bagh, New Delhi-05. Phone: 41545881
KAPOOR INDUSTRIES		Airjet	Kapoor House. 29A 2/1, Desu Road, Mehrauli, New Delhi.Phone:26643639
KUMAR TEX INDUSTRIES		T/O, T.F.O., D/T Conning.	E-129, Dilshad Garden, Delhi-95. Phone: 22583807

ELCINA DATABASE

COMPANY	TURNOVER	MANUFACTURED PRODUCTS	CONTACT ADDRESS
Vabros (I) Pvt Ltd.	39 mln	Wire Harness, Degaussing Coils, AV Jacks, PVC Wires, SMPS Transformer	236, Patparganj, Functional Industiral Estate, Patparganj, New Delhi, Ph. 22142050, 22142051, Email: bkv@vabrosindia.net
Avitron Components Pvt Ltd.	35 mln	Line Filter Housings, Sheet Metal Parts	600, Udyog Vihar Phase- V, Gurgaon, Ph. 0124-4308600,Email: avitron@airtelbroadband.in
Benchmark Circuits India Pvt Ltd	12 mln	DVD System, Set-top Boxes	A-42, Gate No.-3 First Floor Mayapuri Indl. Area, Phase – II, New Delhi, Ph. 41847751,Email: atulmukhi@benchmarkindia.com
Genius Electrical & Electronics Pvt. Ltd.	75 mln	Transformers Coil etc.	C-144, Mayapuri Industrial Area, Phase II, New Delhi, Ph. No. 28113545/6013, Email:genius66@vsnl.net,
Goldwyn Limited	30.13 mln	Automotive Switches, Connectors, Plastic ports	15 & 16, NOIDA SPECIAL ECONOMIC ZONE, NOIDA,Ph. 0120-2568537-9, Email: goldwyn@vsnl.com

Chawla & Company	71 mln	Electronic TV tuners, MPEG Cards for DVD & VCD, Energy Motors, Job work for PCB assembly.	A-40, Naraina Industrial, AreaPhase – I, New Delhi, Ph. 25797901/02/03/04, Email: tescom@airtelbroadband.in
Hitech Deflectronics Pvt. Ltd	30 mln	Deflection Components	C- 43, Sector – 7, Noida ,Ph. 011 - 25927876 , 0120 - 2423210 , Email: hitech@ndf.vsnl.net.in
Intertek Testing Services (I) Pvt. Ltd	25 mln	Testing and certification	E-20, Block B-I, Mohan Cooperative Industrial Area, Mathura Road, New Delhi, Ph. 41595460,mail: Anirban.bhattacharjee@intertek.com
J.V. Electronics Pvt. Ltd.	80 mln	Silvered Mica Capacitors, EMI Filters , LED Lamps	808-9, Meghdoot94, Nehru Place, New Delhi, Ph. 26485296, 26485976,Email: jvepl@airtelbroadband.in
Kaytron Components Pvt Ltd	10 mln	Resistors (Metal Film Resistors, Carbon Film Resistors, Metal Oxide Resistors	A-39,GT Karnal Road Industrial Area, Delhi, Ph. 42381044/55,Email: director@kaytroncomponents.com
Kusum Enterprises Pvt. Ltd	25.7 mln	Carbon/Metal Film Resistors & Metal Oxide Resistors	S-16, Okhla Industrial Area, Phase – II, New Delhi, Ph. 26383681, 26384985, Email: keplvj@vsnl.com
National Products	25 mln	Solder wires, solder sticks, fluxes and solvents, Trading of chip, capacitors, resistors, quartz crystals, LED & Solder Tools	A-32, Mayapuri Indl Area, Phase – II, New Delhi, Ph. 28117434, 28115079, 41845440,Email: solders@npsolders.com
Pushkar Controls Pvt. Ltd.	52 mln	Voltage Corrector, Regulator, UPS, CVT	114-A, Ground Floor, Cycle Market, Jhandewalan Extn, New Delhi,Ph. 23672221, 23615484, Email: sachin@capri.net.in

IEEMA DATABASE

COMPANY	TURNOVER	MANUFACTURED PRODUCT	CONTACT ADDRESS

Accurate Transformers Ltd.	18 mln	Power transformers, distribution transformers	8, L.S.C. 3rd floor, Savita Vihar, Delhi-92. Ph. 32597531 Email: accurate_group@mail.com www.accurategroup.co.in
Adhunik Yantra Udyog Pvt. Ltd.	16 mln	Instrument transformers	G 111-112, New Multan Nagar, Rohtak Road, New Delhi-56. Ph. 25291972 Email: mem_dlh@vsnl.net www.adhunikyantra.com
Asiatic Electric and Switchgear Pvt. Ltd.	50 mln	Power distribution products, feeder pillars, cutouts.	A-58 Naraina Industrial Area, Phase-1, New Delhi. Ph. 25796617 Email: asiatic@asiatic-india.com
B.R. Industries Ltd.	18 mln	Transformer Core, Wound transformer core, Toroidal Core	656, Lane No.11, Sadar Bazaar, New Delhi. Ph. 23532348 Email: info@brindustriesltd.com www.brindustries.com
CAPCAB INDIA LTD (2000)		Modules/MCBs	7, Central Market, Behind McDonalds West Punjabi Bagh, New Delhi-26 Ph. 25222686/6584 Email:sales@cciindia.com www.ccicable.com
Rectifiers & Electronics	31.2 mln	Manuf. Electrical testing Equipment	10/3 DLF Industrial Area, Moti Nagar, New Delhi-15 Ph.25434772 Email:marora@re-india.com www.oic-india.com
Sight Sound Electronics (India)Pvt. Ltd.	72.5 mln	Wires & Cables	A-128, Wazirpur Indistrial Area, Delhi., Ph. 27373604/3432 Email:dhiraj@mitushicables.net www.mitushicables.net.

Capital Transformers Pvt. Ltd.	28.29 mln	Distribution & Power Transformer	56-B, Dilshad Garden, Damodar Partk, G.T Road, Shahdra, Delhi. Ph. 22576514 Email:bhupender_goyal@yahoo.com
KAPCO Electric Pvt.Ltd.	66.4 mln	Instrument Transformer upto 66 KV	C-309, Sarita Vihar, New Delhi-76 Ph.26943550 Email:kapco@vsnl.com
Mohini Electricals Ltd.		L.T. Air Circuit breakers, L.T. Module Type Panels, L.T. Distribution Box etc.	A-14, Industrial House, Inderpuri, New Delhi-12 Ph. 25831121/6509 Email:mel@vsnl.com

MAIT DATABASE

COMPANY	TURNOVER	MANUFACTURED PRODUCTS	CONTACT ADDRESS
CEE Vision Technologies Pvt. Ltd.	3 cr	Importer and distributor	O-8, Lajpat Nagar II, New Delhi.Phone:29847298/7260/7985 www.chemoplast.com
EATON Power Quality Pvt. Ltd.		UPS and DC Power Systems	4, Community Centre, Panchsheel Park, New Delhi. Phone:26499419 www.powerware.com
eSYS Information Technologies Ltd.		IT Products	B-65, Okhla Phase I, New Delhi.Phone:41811694-96 www.esys.in

Exhibitions India Pvt. Ltd		Organisers	217-B, 2nd floor, Okhla Industrial Estate, Phase III, New Delhi.Phone:42795000 www.exhibitionsindia.com
Jay Enn India (P) Ltd		Currency counting machine, product binding machine.	294, Mandakini Enclave, New Delhi.Phone:26410784 www.jayennindia.com
Mutual Image& Event Mgt. Pvt. Ltd.		PR Agency	18, Jai Jawan Jai Kissan Trust Bhawan, Lower Ground Floor, Right Wing, Kotla Lane, Rouse Avenue, Near Bal Bhawan, New Delhi, Phone: 41416523/24 www.mutualpr.com

NASSCOM DATABASE

COMPANY	TURNOVER	PRODUCTS	CONTACT ADDRESS
Rose I.T. Solutions (P) Ltd		MaestroVMS Vendor Management System	B-25, 1st Floor, Mayfair Gardens, Hauz Khas, New Delhi, New Delhi-110016 Phone: 28866041, 51655879 Email: pseth@roseint.com Website: www.roseits.com
CE Info Systems Pvt. Ltd		Software development	B-44 Shivalik, Malviya Nagar, New Delhi, New Delhi-110017 Phone:26691121, 26692103 Email: ceinfo@vsnl.com Website: www.mapmyindia.com
Eastern Software Systems Pvt. Ltd		portal development; CRM and SCM; total IT outsourcing	D 16/2 Okhla Industrial Area, Phase II, New Delhi, New Delhi-110020 Phone: 41616241, 41616242 Email: sanjay-agarwala@essindia.co.in

			Website: www.essindia.com
Solidcore Techsoft Systems India Pvt. Ltd		Software Deployment and Support	A-16, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi, New Delhi-110044 Phone: 30880900 Email: varun@solidcore.com Website: www.solidcore.com
EMC Data Storage Systems (India) Private Limited		System Integration	9B Berjeya House, New Friends Colony, New Delhi, New Delhi-110065 Phone: 91-11-66563800 Email: sahai_praveen@emc.com Website: www.india.emc.com
Agilent Technologies (International) Pvt Ltd		Provide IT infrastructure, application and end user computing services.	D-90, Sector-18, Udyog Vihar, Phase IV, Gurgaon, Phone: 0124-4192300 Email: swati_bhattacharya@agilent.com Website: www.agilent.com
Akal Information Systems Ltd		Infrastructure & Systems provisioning,	L-130/1, 2nd Floor, Gautam Nagar, New Delhi, New Delhi-110049 Phone: 46503535, 46503545 Email: info@akainfosys.com Website: www.akalinfosys.com
Baxter India Pvt. Ltd		medical devices	2nd Floor, Tower 'C', Building 8, DLF Cyber City, DLF Phase - II, Gurgaon, Phone: 91-124-4500200 Email: meeta_walia@baxter.com Website: www.baxter.com

		Software development,	C-62, Community Centre, C-Block, Janak Puri, New Delhi, New Delhi-110058 Phone: 41588015, 41588014 Email: simar@infobase.in Website: www.infobase.co.in
Compare Infobase Pvt Ltd			
i-Strat Software Pvt. Ltd		Web Development, e-Learning, Multimedia, 2D & 3DAnimation	603, Mahatta Towers, B-1, Community Centre, Janakpuri, New Delhi, New Delhi-110058 Phone: 25511354, 25572445 Email: marketing@istrat-india.com Website: www.istrat-india.com

ACMA DATABASE

COMPANY	TURNOVER	DOMESTIC TIER(1)	PRODUCTS MANUFACTURED	ADDRESS
Vimal Moulders (India)ltd.	27.5 mln	Minda Industries Ltd., Subros Ltd., Lumax Industries Ltd., Bharat Seats Ltd.	Design & Development of Custom injection moulded parts & assembled systems.	B-104/3, Naraina Industrial Area Phase-I, Naraina, New Delhi-28 Ph.65491393-94 Email:sdubey@vimalplastindia.com www.vimalplastindia.com
JBM Auto Ltd.	33.74 mln	Jay Bharat Maruti Ltd	Sheet metal components, assemblies and sub-assemblies, tools, dies and moulds	703 B, Hemkunt Chamber, 89, Nehru Place, New Delhi-19 ph: 26427104-7 email: corp@jbm.co.in www.jbm-group.com

Kunstocom (India) Ltd.	7.57 mln	Delphi Automotive systems ltd., Subros ltd., Hella India Ltd., Lumax Industries Ltd., Denso India Ltd.,	Thermoplastic custom injection moulds, moulded products for HVAC, instrument panels etc.	AKC House, E-27, Defence Colony, New Delhi-24 Ph. 24339700 Email: info@kunstocom.com www.kunstocom.com
Lifelong India Ltd.	56.59 mln	Pricol Ltd., Siemens VDO, Denso India Ltd	Plastic injection molded parts, aluminum die-casted & sheet metal parts & assemblies.	D 1, Soami Nagar (South), New Delhi-17 Ph. 26017063-5 Email: bd@lifelongindia.com www.lifelongindia.com
IST Ltd.	3.15 mln	Ucal Fuel Systems Ltd., Keihin Fie Pvt. Ltd.	Carburetor & Fuel System Parts	A-23, New Office Complex, Defence Colony, New Delhi-24 Ph. 24694291,24694292 Email: istgroup@sify.com www.istindia.com

TEXTILE SMEs LIST

1.	ACSHAYA GROUP OF COMPANIES
2.	SUNERITTING COMAPANIES
3.	THE SOUTHERN TEXTILE LIMITED
4.	MITTIE APPARELS
5.	TEX STYLES CORPORATION
6.	5 STAR KNITS
7.	ROYAL CLASSIK MILLS (P) LTD
8.	CREATIVE IMPEX
9.	R.M.X JOSS
10.	NARAYAN INTERNATIONAL
11.	ABHINANDAN KR.SUSHIL KR JAIN & SONS
12.	FASHION PLATE
13.	IMPEX
14.	AFFAIRS GARMENTS
15.	BABVAPPARELS
16.	AIMGARMENTS
17.	PETALS CHILDREN WEAR
18.	CITY FASHION
19.	KING GARMENTS
20.	OHM KNIT FASHION
21.	TALMACLOTHING COM PVT LTD
22.	POOMER HOSIERIES
23.	SHRI BALAJI IPRA
24.	SCOTTS GARMENTS LTD
25.	COLORTONE APPAREL PVT LTD
26.	VISHNULAKSHMI MILLS P LTD
27.	ANAMIKA ENTERPRISE PVTLTD
28.	SRI KARTHIK MILLS
29.	DIXCY TEXTILES PVT LTD
30.	TITAN KNIT FASHION
31.	WARSAW INTERSATIONAL
32.	CHANDRA COTTON FABRICS
33.	FASHION HUB
34.	CBC FASHIONS
35.	DELUREKITTING MILLS
36.	KRISHNAVENI HOSIERY MILLS
37.	SRI RANGA TEXTILES P LTD
38.	B.L. INTERNATIONALCLOTHING PVT. LTD
39.	AKCHAYA CREATION
40.	GLORY HOUSE
41.	TEXT CLOTHING

42. NISHA EXPORTS
43. RAJANARAYANTEXTILES LTD
44. AHILL APPAREL
45. RAJU TEXTILE AGENCY
46. LAXMINARAYANANT TEXTILES
47. HANUNG TOYS TEXTILES LTD
48. SRI SOWDAMBIGA FASHIONS
49. EMMER TEX
50. SENTHI LTRADERS
51. B RADHKRISHANAN SILKS
52. KASI RAJA TEXTILES
53. GURU RAGAVENDARA TEXTILES
54. SRI VINAYAKAA SILKS
55. RAJA VINAYAGA EXPORT
56. STITCHERS INDIA
57. BKA FABRICS
58. SIGNET CORP.
59. VIPUL AND CO
60. SUGUNATEXTILES
61. SURYA PROBHA MILLS (P)LTD
62. SRIROMAKRISHAN TEXTILES
63. TARA HANDLOOMS
64. SS CORPORATION
65. P MOHANRAJ AND SONS
66. DAMINI
67. K.R.F.LIMITED
68. KATYANI MAGES INDIA P LTD
69. SPRING OVERSEAS
70. PEARL FASHIONS
71. THE VISI EXPORTS
72. SATHYAIMPEX
73. D FABS
74. MGM EXPORTS
75. KAYTEE CORPRATION P LTD
76. OXO APPARELS
77. MS KARTHIKEYON GARMENTS
78. BUSYBEEGARMENT
79. GAURAV EXPORT (P) LTD
80. SHARMA SAMPAT POLYPALR
81. COTTLON INDIA LTD
82. ASHU IMPEX
83. JAYPEE SPINTEX LIMITED
84. POMY ENTERPRISES
85. GLOBAL FABRIC
86. V.K FASHION

87. SARITA HANDA	
88. ECHHA EXPORTS	
89. MARUTI	
90. VRUNDAVAN SILK MILLS	
91. ANKUR FABRICS	
92. SHIV SHAKTI	
93. PADMAVASI TEXTILES	
94. GAURAV INTERNATIONAL	
95. RAMAYANS	
96. KAPADIA GRUOP	
97. FASHION TEX	
98. DHANSKHLAL NANABHAI CHEVI	
99. SONALI DYEING &PRITING	
100.	KADMAWALA DYEING PRI P L
101.	BHAVANI FASHION
102.	S.ND INC
103.	COUPLE OVERSEAS P LTD
104.	ROYAL SILK SPLENDOR (P)LT
105.	PEE DEE GARMENT
106.	PYOGINAM
107.	STRANGI EXPORT P LTD
108.	RD CREATION
109.	SUNSTAR FASHTIONS
110.	DHANDAPANI SPINNINGMILLS

AUTO COMPONENTS SMEs LIST

1. I P RINGS
2. SUKRIN AUTOMOTIVE (P) LTD
3. PRSCISION PRESS FORM INDU
4. CLASSIC AUTOMOTIVE IND(P)
5. AUTO LINE INUSTRIES LTD.
6. HELICAL SPRINGS
7. RAJSHI STEERING PVT LTD
8. GEAR & GEARS
9. TECHNO AUTO COMPONENTS
10. SUPER CEALS PVT LTD
11. NILES ENGINEERING WORKS PVT. LTD
12. TYCO INDIA LTD
13. CHABRA METADOR HAUS
14. INTEGRAL AUTO CORPONENTS
15. ELFORGS LTD
16. ABHILASHA MICROTEK PVT LT
17. NIKKI GEARS PVT LTD
18. PANSE AUTO COMPS PVT LTD
19. ORIENTAL HYDRAULICS
20. SUPER SEAL INDIA LIMITED
21. ENCON FURNACES P LTD
22. URASTUN METAL INDUSTRIES
23. METALIKA PRODUCTS IND P L
24. M/S BOHRA RUBBER PVT.LTD.
25. H.M. AUTO INDUSTRIES
26. PACCO IND.COPORATION
27. PRSCISION EQPMT.AUTO(P)L.
28. MEENAKSHI POLYMERS PVT.L.
29. CRECENT AUTO COMP.PVT.LTD
30. OSCAR AUTO KARPORETION
31. N F FORGING INDIA P LTD
32. UNITY FORGING PVT LTD
33. NEWTECH AUTOTECH P LTD
34. HI RICK INDUSTRIES P LTD
35. PREMIER AUTOMOTIVES

36. YASHIKO BUHMEOO INDIA P.L
37. SHY ENERGY (P) LTD.
38. MINAKSHI POLYMER P LTD.
39. TECHNICAL STAMPING AUTO.L
40. STORK AUTO ENGINEERING (P
41. MODHRA FINC BLANC (P) LTD
42. RAMBAI LIMITED
43. IMPERIAL AUTO INDUSTRIES
44. SUNBEAM AUTO PVT LTD
45. SHIVANILOCK
46. SIDHESHWAR INDUSTR P LTD
47. PHEDA
48. IONBOND COATINGS P LTD
49. S B ENGINEERS
50. SUMAN AUTO PARTS
51. IHENGINEERS
52. MANNUM COMPONENTS
53. HI TECH GEAR LTD
54. E.R AUTOMOTIVES LTD.
55. PHA INDIA P LTD.
56. IDEAL COMPONENT P LTD.
57. BRIGTH AUTOPLAST P LTD
58. MANAGER ADMIN
59. WONJIN AUTOPARTS I P LTD
60. LOSUNG AUTOMATION PVT LTD
61. CHANDRA ENGINEERS
62. KANSAL INDUSTRIES
63. S.B.S INTERNATIONAL
64. SBR AUTO COMPONENTS PVT LTD
65. ASHOKANACHITOOISCORATION
66. E R AUTO PVT LTD
67. NATIONAL ENGINEERING INDUSTRIES LTD
68. TAS AUTOMOTIVE COMPONENTS
69. PRECISION TOOL TECH INDIA
70. KYUNG SHUN AUTOMOTIVES P.
71. ACS BOLDRETTI INDIA P LTD
72. LIASON INC
73. BAILY HYDRAPOWER INDIA P.
74. SUPREMS TREVES (P) LTD
75. ILJIN AUTOMOTIVE P.LTD.

76. RAJ HUNS PRESSING (P) LTD
77. D.M INTERPRISES
78. SUMATI ENGINERING CO P LD
79. MITSO AUTOTECH (P) LTD
80. PRESCO MEC AUTO COMP.P.L
81. SITA SINGH & SONS (P) LTD
82. AMURENA TRISTAR
83. HORIZON INDUSTRAL PRODUCT
84. S.D AUTO COMPONENTS P LTD
85. NATIONAL INDSTRIES
86. INDO AUTOTECH LTD
87. K.K.RUBBRITE LTD
88. ALLENA AUTO INDUS P LTD
89. SHIVAJI LOCKS PVT LTD
90. NATIONAL OIL SEAL
91. AMRIT RUBBER PRODUCTS
92. A.S.I COMPOMENTS
93. NEO LIGHT AUTO MOBIL
94. MYKODA AUTO INDUSTRIS
95. R.K PROFILES PVT LTD
96. POONA SHIMS PVT LTD
97. EKTA INDUSTRIAL PRODUTS P
98. VERA INDUSTRIES
100.CENTURY AUTO ENGINEEARING
101.EESHAN AUTOMOTIVES
102.   DEEPAK MANUFATURING P LTD
103.   NEW SWAN COMPONENTS P LTD
104.   SHARDA SEJONG AUTO CO.LTD
105.   ALPUMP LTD.
106.   JAYSHREE DIE CASTINGS PL
107.   ROJEE TASHA
108.   SURAIN AUTOMOTIVE
109.   S.K.P ENTERPRISES
110.   R.R TECHNOMECH (I) PVT. LTD
111.   TRIM INDIA P. LTD
112.   URASTUN METAL INDUSTRIES

ANNEXURE 4

Category	**Serial No.**

Textile	
Auto Components	

Products _____

City _____

Survey on "Technology Branding in SME's"

PREAMBLE

Good_____: I am from **MDRA (Marketing & Development Research Associates)**, a leading market research agency in India. We are currently conducting a survey on **"Technology Branding in SME's"** on behalf of IIFT (Indian Institute of Foreign Trade, New Delhi). I would be grateful if you could spare some time to answer these questions.

Information collected through this questionnaire will be used for research purpose only and nowhere name of the company/ respondent will be revealed. Standard Confidentiality clause will be applicable. The information/data only at the aggregate level will be used for analysis/report writing.

Introduction and Objective

The basic objective of the study is to help the government of India (Department of Scientific and Industrial Research, DSIR) to in developing and promoting clusters through Cluster Branding in various clusters.
This type of Cluster Branding ensures advantages like economies of scale in marketing cost, lower complexity in functioning and low entry barriers. Hence, this particular study will identify potential clusters and small & medium enterprises where branding strategy may be practiced in standardized or customized manner.

Basic Guidelines

Since manufacturer might be producing as well as exporting his products to more than one country, then in that case while filling the questionnaire extra care must be taken in mentioning the name of the technology that is being used by that particular firm.

The questionnaire in no sense limits the scope of the survey. If the firms provide extra information on the technology use and it's branding, then in that case the interviewer is free to collect more information.

Format of the Survey

The survey is divided into three parts:
- A   Questions on Industry Market Positioning
- B   Questions on Readiness for branding
- C   Basic Information about the Company

Survey conducted by: - Marketing & Development Research Associates, New Delhi
On Behalf of: - Indian Institute of Foreign Trade, New Delhi
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SECTION A: INDUSTRY MARKET POSITIONING

1. What are the nature of product mix that you deal in? What products do you manufacture? **[RECORD VERBATIM]**

    _____

    _____

2. Briefly explain about the market scenario with respect to the following aspects about the product you deal in/ market you are present? **[RECORD VERBATIM]**

2a. Competition: _____

2a.I Approximate no. of competitors in this cluster:_____

2a.II Average size of each competitor (**turn over in Rs.**): _____

2a III. Average investment by competitors: _____

2b. Market size of the cluster **(total business of that cluster**)**(Rs.)**: _____

2c. What is the nature of the business of the competition: _____

    _____

2d. What is your opinion on Government regulations and policies regarding this Cluster?   **[RECORD VERBATIM]**

    _____

    _____

 2e. Recent changes that have been observed in the context of the product and related market:.

Consumer Oriented	
Policy Oriented	

2f. Do you have in-house R&D facility? If yes, what is the average annual R&D expenditure incurred?

    _____

3.Are you in exports?
          1). Yes   2). No

4.If yes, which are the countries and products?

S.No	4a. Country	4b. Product Mix	4c. Size of the market for the export country	4d. Major clients (Companies' names)	4e. Average value of export to the country in a year (Rs.)
1					
2					
3					
4					
5					

Survey conducted by: - Marketing & Development Research Associates, New Delhi
On Behalf of: - Indian Institute of Foreign Trade, New Delhi
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5. Who are your major competitors from your cluster? **[NAME OF COMPETITORS]**

   _____

6. Do you think you/members in your industry are practicing any unique/indigenous technology? (Y/N). If yes, please mention those TECHNOLOGIES in detail. **[RECORD VERBATIM]**

S.No	6a. Name of the technology	6b.Indigenous* (Code=1)/ Unique** (Code=2)	6c. Details (Uses, Advantages, why?)
1			
2			
3			
4			

   [**Indigenous Technology** means the technology developed by that particular manufacturer for its own use. **Unique technology** denotes that only that particular manufacturer is using that technology in that cluster for that specific purpose.]

7. What are the efforts being made by you to highlight the special features/ uniqueness of your product?
   [RECORD VERBATIM]

   _____

   _____

8. Do you have any foreign collaboration?

   (1) Yes   (2) No   *[IF RESPONSE IS (1), GO TO Q8a, ELSE GO TO Q8b]*

8a. If yes, then is it financial collaboration or technical collaboration?
   (1) Financial   (2) Technical   (3) Both

8b. Do you have any networking or partnership with R&D/ academic institution in India. If yes, explain in detail (with which institution?).

   (1) Yes   (2) No

   Details _____

9. Please RATE those special features/ unique technologies on 1-5 scale where
   [1 =Completely agree; 2=Somewhat Agree; 3=Neither Agree nor Disagree; 4=Somewhat Disagree; 5= Completely Disagree] {USE SHOWCARDS}

	STATEMENTS	Code			
		Tech. 1	Tech. 2	Tech. 3	Tech. 4
9a.	The technology is completely new innovation				
9b.	The technology is advanced modification of an existing technology				
9c.	The technology is as a core technology				
9d.	The technology is used as a platform technology				
9e.	The technology is reliable				
9f.	The technology is costly				
9g.	The technology is complex				
9h.	The technology is hard to be substitute				
9i.	The technology is hard to be imitated				
9j.	The technology has a great market potential				
9k.	The technology process/product is patented				
9l.	The process/product meet international standards or approvals				

*Survey conducted by: - **Marketing & Development Research Associates, New Delhi** *
*On Behalf of: - **Indian Institute of Foreign Trade, New Delhi** *
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SECTION B: READINESS FOR BRANDING

10. Do you think the following activities are being pursued by your organization?   **[1 =Yes; 2=No]**

S. No	Particulars	Code
10a.	Does your company or the products or technology have any identity-logo?	
10b.	Does your company or the products or technology have any message(s)?	
10c.	Does your company or the products or technology have any Identity Guidelines to maintain the integrity of the logo and message delivery?	
10d.	Does your company or the products or technology have a continuous system of monitoring where, when and how the logo and the message are used?	
10e.	Does your company or the products or technology create and implement communications channels (Brand Talk and Brand Team Notes) for distributing recent news about the branding initiative?	
10f.	Does the company or the products or technology have any kind of associations with the industry associations and institutions?	
10g.	Does your company or the products or technology have a website?	
10h.	Does your company or the products or technology continuously monitor the Association web site revamp endeavors and schedules?	

11. With regards to your products/technology please RATE the following statements on 1-5 scale.
    [1 =Completely agree; 2=Somewhat Agree; 3=Neither Agree nor Disagree; 4=Somewhat Disagree; 5= Completely Disagree] {USE SHOWCARDS}

S. No	STATEMENTS	Code
11 a.	There are no dominant competitors	
11 b.	The product has unique competitive advantage	
11 c.	The product is clearly defined	
11 d.	The product has a good reputation	
11 e.	There is a separate marketing department	
11 f.	You have a new brand identity-logo	
11 g.	There are key brand messages/product benefits clearly communicated	

12. Mark the following. **[1 =Yes; 2=No]**

S.No	Activities Undertaken	Code	Details
12 a.	Does your Company have a name?		
12 b.	Does your Company and product have separate names?		
12 c.	Does your company have a logo?		
12 d.	Does your company and product have a separate logo?		
12e.	Is this logo visible?		
12 f	Does your company have a website?		
12 g.	Does your company have a separate sales and marketing department?		
12 h.	Does your company have sales staff or company representatives handle sales?		
12 i.	Does your company have a guideline laid down for marketing activities?		
12 j.	Does your company have trademarks and patents on any of the product or technology?		
12 k.	Does your company participate regularly in buyer seller meets, exhibitions, and trade fairs?		

13. What are your opinions on the following activities in the context of selling the products you are dealing in?
    [1 =Completely agree; 2=Somewhat Agree; 3=neither Agree nor Disagree; 4=Somewhat Disagree; 5= Completely Disagree] {USE SHOWCARDS}

S. No.	STATEMENTS: I think _____helps in selling/marketing my products in better way.	Code
13a.	Having a company name	
13b.	Having separate name for product and company	
13c.	Having a company logo	
13d.	Having a separate product logo	
13e.	Having a company website	
13f.	Separate sales and marketing department	
13g.	Participating in buyer seller meet, exhibitions and trade fairs	

14. What is your company's annual average expenditure incurred on marketing/ branding/ advertisements etc. (in Rs.)?

_____

15. What are your opinions on the following activities:

15a. Relevance of branding_____

_____

15b. What is the Objective of branding?

_____

_____

15c. What are the constraints /difficulties you face while branding?

_____

_____

16. Do you require any support/assistance from the government for the brand promotion? If yes, what type of support/ assistance?

_____

_____

17. What are the benefits you expect from branding?

_____

_____

18. Apart from the above-mentioned questions/problems give me your suggestions to help developing and promoting your company and your cluster. You are free to express your views.

*Survey conducted by: - **Marketing & Development Research Associates, New Delhi***
On Behalf of: - Indian Institute of Foreign Trade, New Delhi
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SECTION C: BASIC INFORMATION ABOUT THE COMPANY

C1. Name of the Respondent

C2. Designation of the Respondent

C3. Name of firm

C4. Name of the Head of the firm

C5. Designation of the head of the firm

C6. Organization Address

C7. Phone (with STD Code)

C8. Mobile no. of the Respondent

C9. Fax Number

C10: E-mail ID: _____

C11: Website: _____*(ATTACH THE VISITING CARD)*.

C12.Turnover (FY 2006-07) in Rupees: _____

C13. Investment in Plants & Machinery (Rs.) _____

C14. Total Share of the Sales:

Areas	% Of the total
Domestic	
Export	
Total	100%

THE SURVEY ENDS HERE
THANK YOU VERY MUCH FOR YOUR COOPERATION

SECTION D: FIELD CONTROL INFORMATION

INVESTIGATOR					
NAME		DATE		SIGNATURE	
SUPERVISOR					
NAME		DATE		SIGNATURE	
VERIFICATION BY: (NAMES & SIGNATURES)					
	TL		FE	FM	RE
ACCOMPANIED					
SPOT/ BACK CHECKED					
SCRUTINISED					
DATA CODING					
NAME		DATE		SIGNATURE	
DATA ENTRY					
NAME		DATE		SIGNATURE	

NOTE: NO QUESTIONNAIRE WILL BE ACCEPTED WITHOUT COMPLETE FIELD CONTROL INFORMATION AND/ OR UNSIGNED AS AND WHERE APPLICABLE.

*Survey conducted by: - **Marketing & Development Research Associates, New Delhi***
*On Behalf of: - **Indian Institute of Foreign Trade, New Delhi***

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TABULATED DATA OF THE AUTO COMPONENT SECTOR

5.1 Approximate number of competitors in the cluster

Almost 95 percent of the enterprises have just 0-50 competitors in their cluster. This indicates that the clusters are relatively small.

Table 5.1: Approximate number of Competitors in Cluster

100 to 200 3%
51 to 100 2%
0 to 50 95%
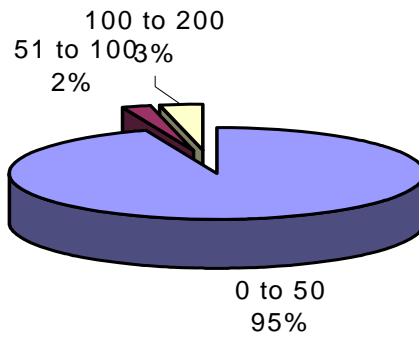
5.2 Average size of each competitor

About one-third of the competitors have a turnover between Rs. 1 crore and 10 crores. Almost an equal share fall in the small size segment having a turnover between Rs. 25 crores and Rs 50 crores.

Table 5.2: Average size of each competitor

Above 50CR 24%
1CR to 10CR 33%
25CR to 50CR 30%
11CR to 25CR 13%
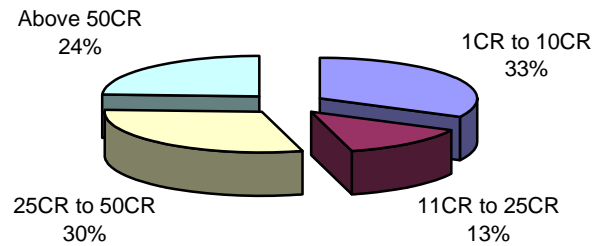
5.3 Average Investment by Competitors

The investment by competitors falling in the three ranges, i.e., Rs. 1 crore to Rs. 10 crores (highest, almost 32% fall in this category), Rs. 21 crores to Rs. 50 crores (second highest, almost 30%) above Rs. 50 crores is almost equal, i.e., about 30%.

Table 5.3: Average Investment by competitors

Above 50CR 28%
1CR to 10CR 32%
21CR to 50CR 30%
11CR to 20CR 10%
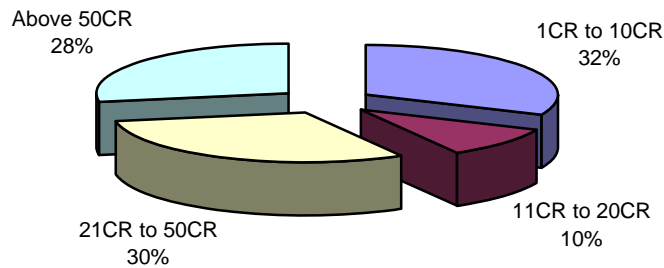
5.4   Market Size of cluster

Most of the companies (almost 46%) are located in small and mid-size clusters whose market size is in the range of Rs. 1 crore to Rs. 10 crores. Almost similar percentage of

companies are in the range of Rs. 11 crores to Rs. 500 crores. A very small fraction, almost 8%, belongs to above 500 cr. Group.

Table 5.4: Market size of cluster

Above 500CR
8%

1CR to 10CR
46%

11CR to 500CR
46%
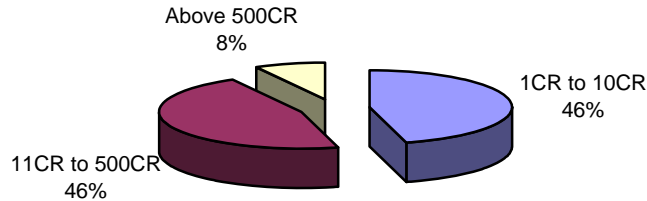
5.5 Expenditure on Research And Development

86% of the companies do not have any in-house R&D facility. Of the remaining 14% who invest in in-house R&D, half of them invest just between Rs. 1 lakh to Rs. 50 lakhs. The maximum in-house R&D expenditure by a company is Rs. 4 crores.

Table 5.5: Expenditure on Research and Development

50 Lakh to 1
Crore
3%

1 to 50 Lakh
7%

1 to 4 Crore
4%

No in-house
R&D
86%
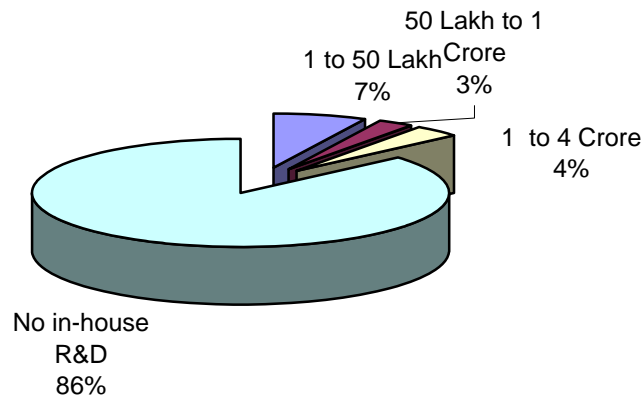
5.6   Export Orientation

A little more than half of the companies are into exports and nearly half are not.

Table 5.6: Export orientation

No
49.55%

Yes
50.45%
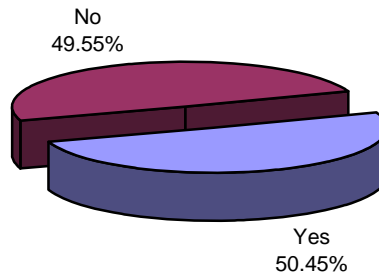
5.7   Practice/Use of Unique and Indigenous Technology

Nearly one-fourth of the companies do not practice any Unique or Indigenous technologies. But nearly 60% of the companies practice unique technologies and the remaining 16% practice indigenous technologies.

Table 5.7: Practice of Unique / Indigenous Technology

No
Unique/Indigenous
Technology
23%

Indigenous
16%

Unique
61%
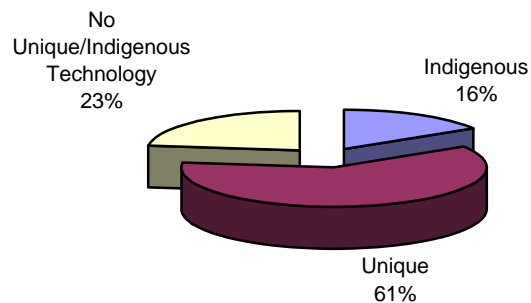
5.8   Foreign Collaboration

Very few companies have foreign collaborations. The majority, i.e., 86% of the total auto-component SMEs do not have any kind of foreign collaboration.

Table 5.8: Foreign Collaborations
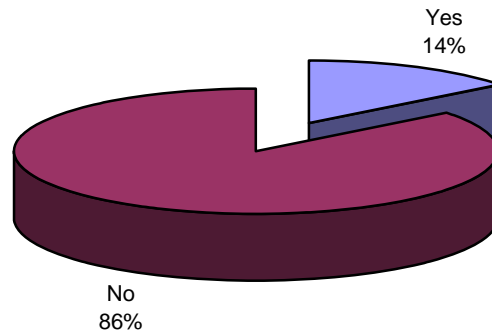
5.9   Nature of Foreign Collaboration

Of the companies having foreign collaborations, half of them have technical collaborations but very few have financial collaborations. Around 43% of the companies having foreign collaborations have both financial and technical collaborations.

Table 5.9: Nature of Foreign collaboration
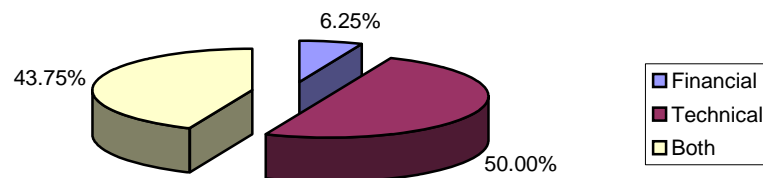
5.10   Innovativeness

A large majority of the respondents, more than 80%, are of the view that the technology being used by their company is a completely new innovation.

Table 5.10: Innovativeness

| Completely agree | Somewhat Agree | Neither Agree nor Disagree |
| Somewhat Disagree | Completely Disagree" | |
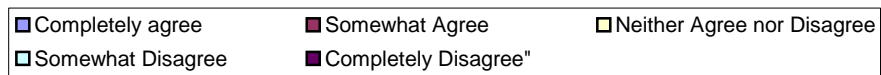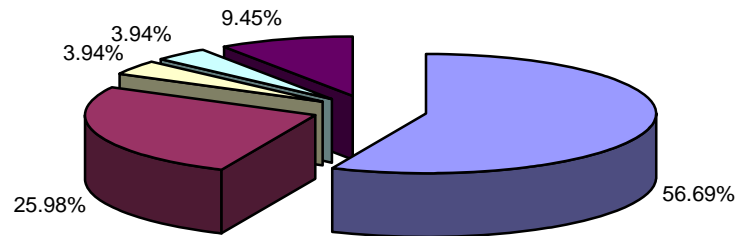
5.11   Core Technology

A whopping 9 out of 10 of the respondents say that the technology used by them is a core technology.

Table 5.11: Core Technology

| Completely agree | Somewhat Agree | Neither Agree nor Disagree |
| Somewhat Disagree | Completely Disagree" | |
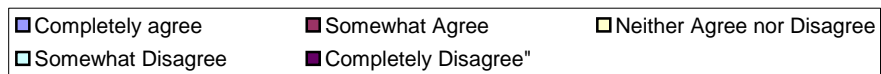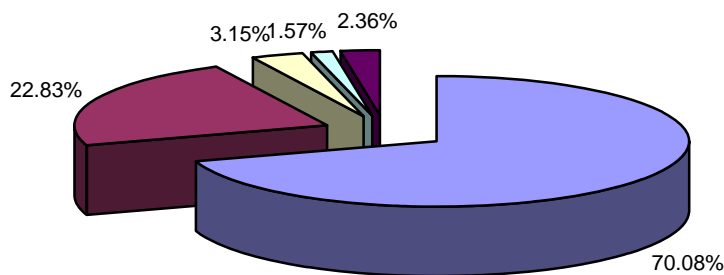
5.12 Platform Technology

More than 90 percent of the respondents also feel that the technology is simultaneously also being used as a platform technology.

Table 5.12: Platform Technology

Legend:
- Completely agree
- Somewhat Agree
- Neither Agree nor Disagree
- Somewhat Disagree
- Completely Disagree"
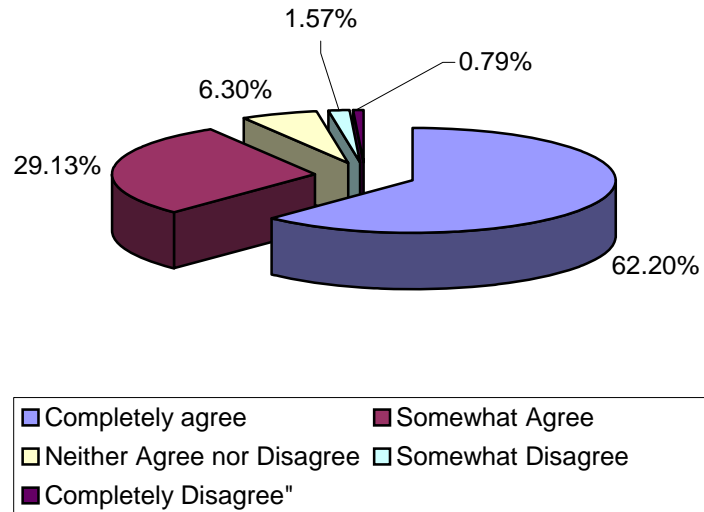
5.13 Reliability

A large majority of respondents, a little over 90 percent are confident about the reliability of the technology being used by their company.

Table 5.13: Reliability

Legend:
- Completely agree
- Somewhat Agree
- Neither Agree nor Disagree
- Somewhat Disagree
- Completely Disagree"
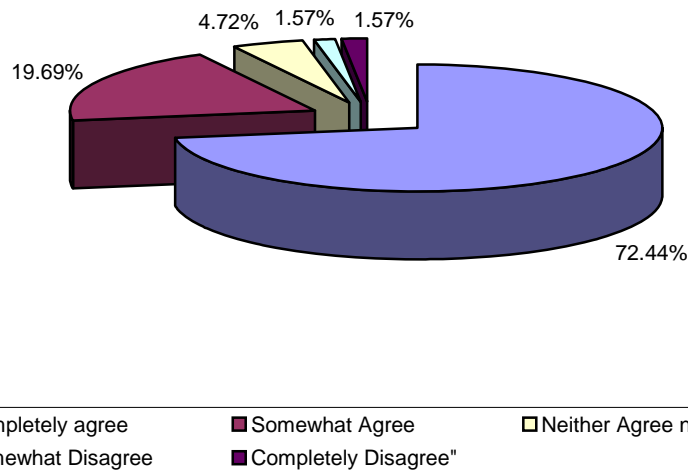
5.14 Cost

For close to 8 out of 10 enterprises, the technology being used is costly.

Table 5.14: The Technology is costly

Completely agree
Somewhat Agree
Neither Agree nor Disagree
Somewhat Disagree
Completely Disagree"
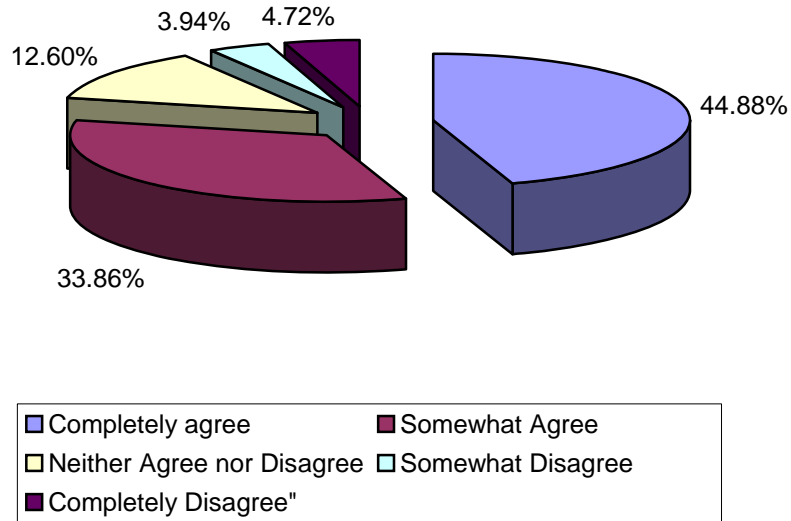
5.15 Complexity

More than three-fourths of the total respondents feel that the unique/indigenous technology in use is complex.

Table 5.15: Complexity

Completely agree
Somewhat Agree
Neither Agree nor Disagree
Somewhat Disagree
Completely Disagree"
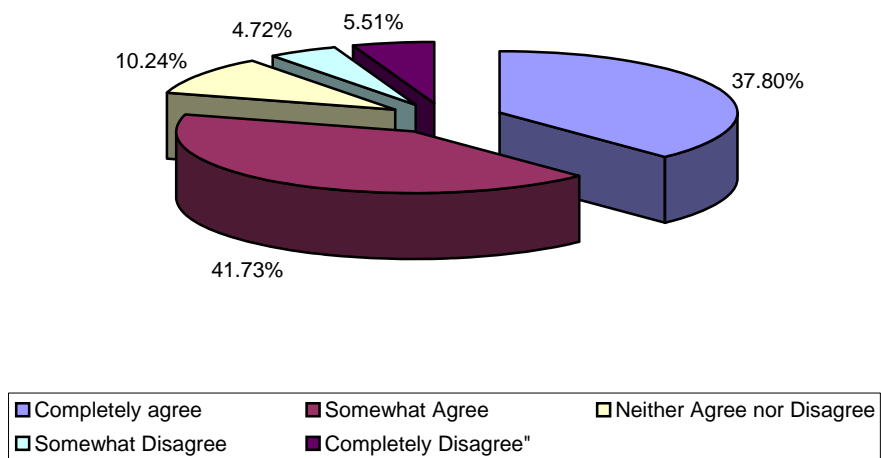
5.16   Hard to Substitute

Nearly 70% of the respondents feel that the technology is hard to be substituted by other technologies.

Table 5.16: Technology is hard to substitute
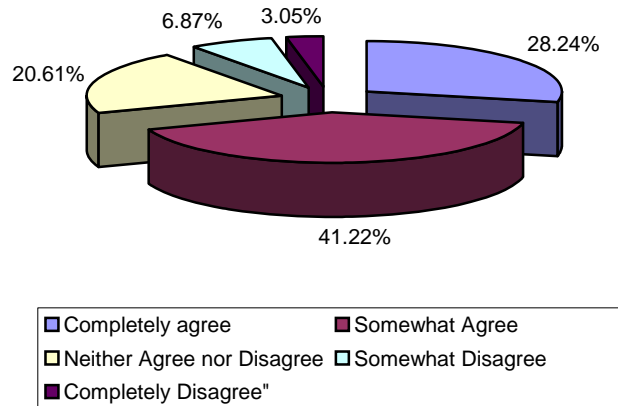
5.17   Hard to imitate

A majority of people feel that the technology is hard to be imitated by others.

Table 5.17: Technology is hard to imitate
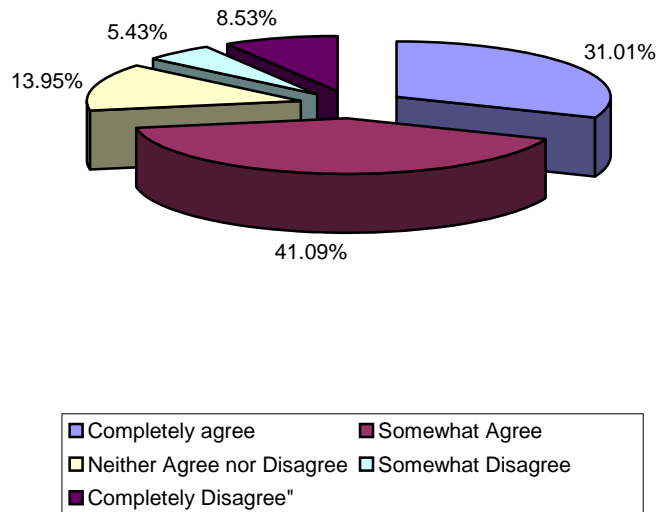
5.18   Market Potential

A large majority of the respondents feel that the unique/indigenous technology being used by their company has great market potential.

Table 5.18: Market potential of the technology used
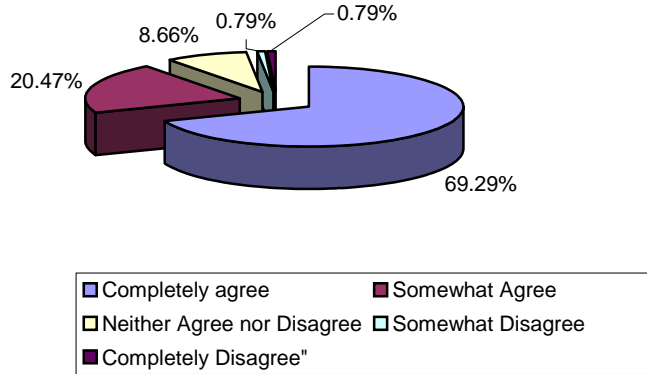
5.19   Patenting

A majority of respondents, more than 70%, say that the technology is patented.

Table 5.19: Technology process/ product patented
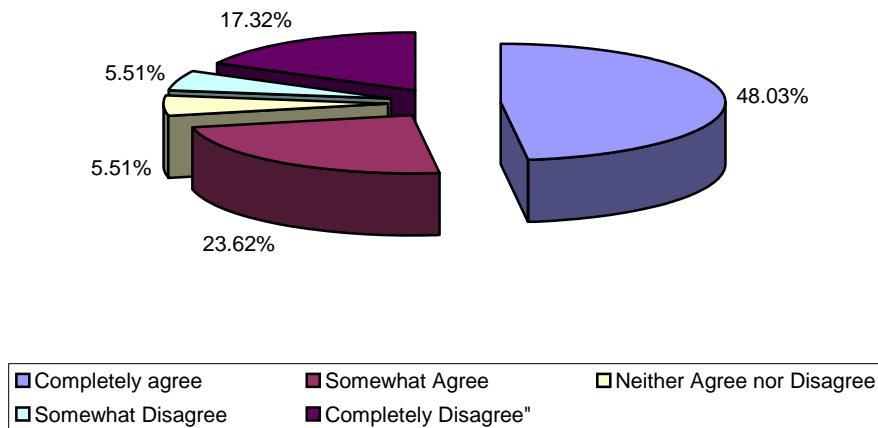
5.20   International Standards

A majority of respondents are confident that the product/process meets international standards or approvals, showing that they have a high degree of confidence on the quality of the technology being used by them.

Table 5.20: Technology process meets International standards

0.79%

3.94%

27.56%

67.72%

☐ Completely agree   ■ Somewhat Agree
☐ Neither Agree nor Disagree   ☐ Somewhat Disagree
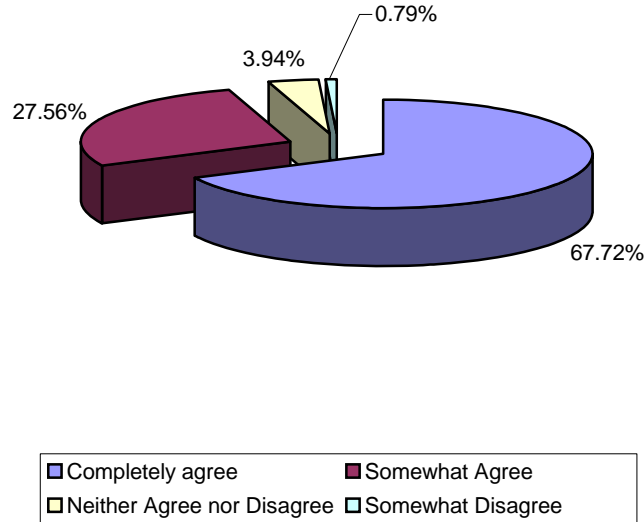
5.21   Identity logo

Around 27 percent of the companies don't have any logo identity for their company or products they manufacture or the technology they are using. While majority of the company has said that they do have logo identity for the above-mentioned attributes.

Table 5.21: Identity Logo

No
27%

Yes
73%
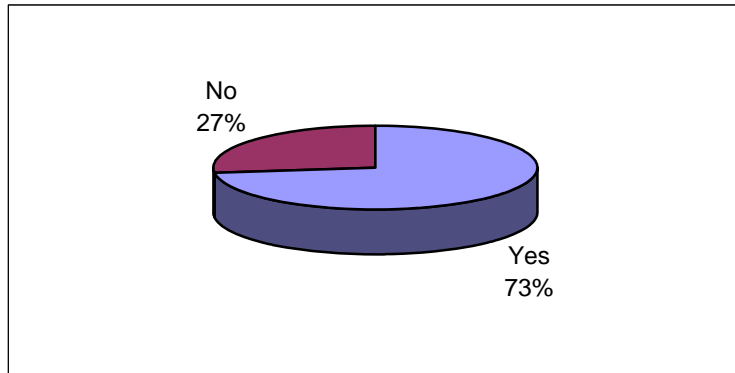
5.22   Message related to branding

Majority of the companies don't have any message associated with either of their company or products or technology, it seems by including the word "Auto" in their name they feel that it is more than sufficient to indicate about the business in which the

company is, only 34 percent of the companies have message for such attributes thereby showing that apart from having a brand name they want are also making efforts to position their company/ product/ technology in the market and some of them may also be trying to differentiate them selves from the rest.

Table 5.22: Message for Company/Products/Technology
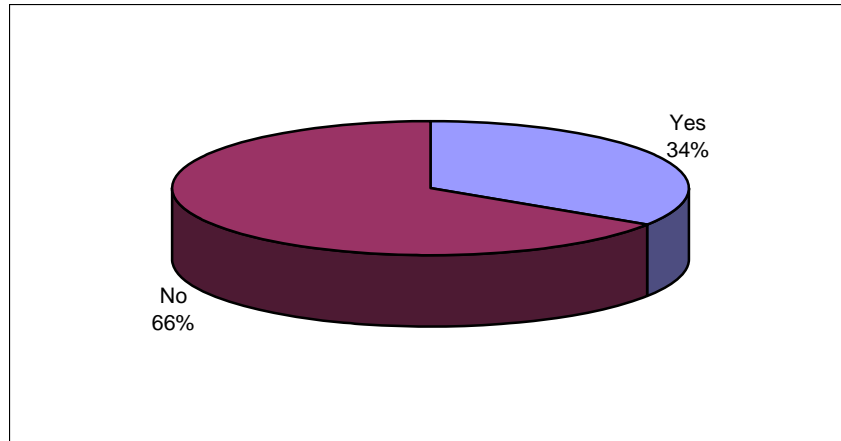
5.23   Identity Guidelines

Almost 50 % of the companies have identity guidelines to maintain the integrity of the logo and message delivery of their company/ products/ technology and the same percentage of companies don't have any such guidelines.

Table 5.23: Identity guidelines for company/products/technology for maintaining integrity
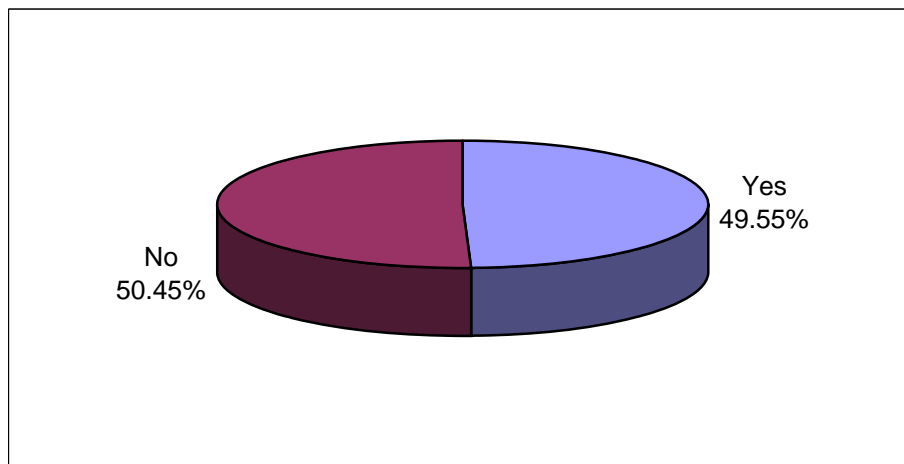
5.24 Monitoring of logo and message use

About 56% of the companies have said that they do a continuous system of monitoring where, when and how the logo and message are being used in relation to their company/ products/ technology.

Table 5.24: Continuous system for monitoring logo & message usage
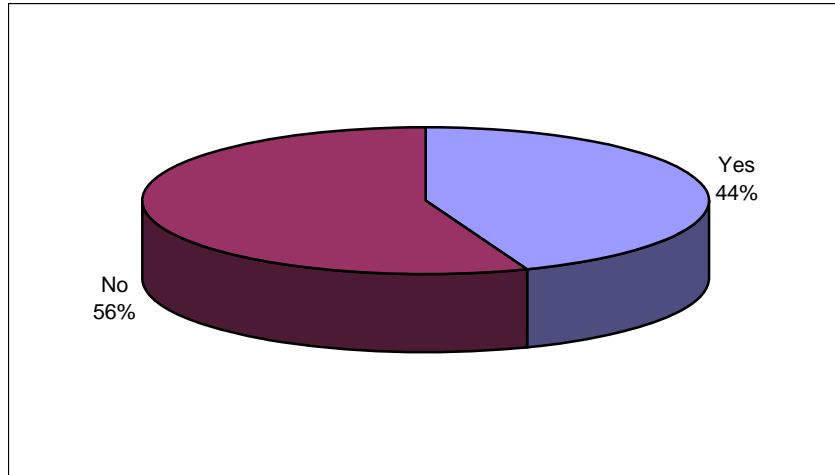
5.25 Creation and Implementation of Communication channels

Majority of the companies i.e. around 60% have said that don't create and implement any Brand Talk and Brand Team Notes for distribution of recent news about the branding initiative regarding their company/ products or technology.

Table 5.25: Communication channels for distributing recent news
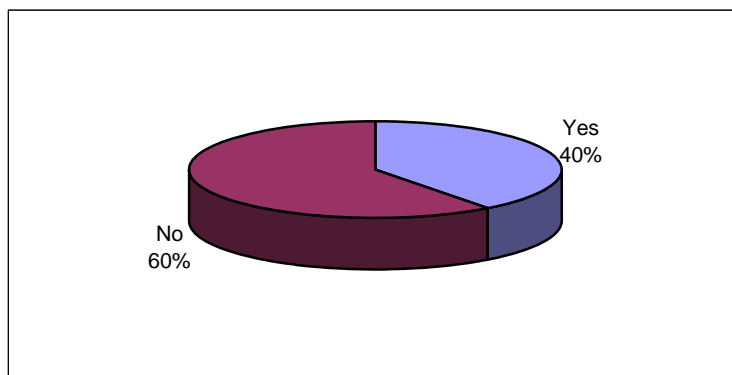
5.26 Association with Industry associations and institutions

There is not much difference between the companies who have association with industry associations and institutions and those who don't have any such association, the difference between them is around 4 percent only.

Table 5.26: Association with Industry associations & Institutions
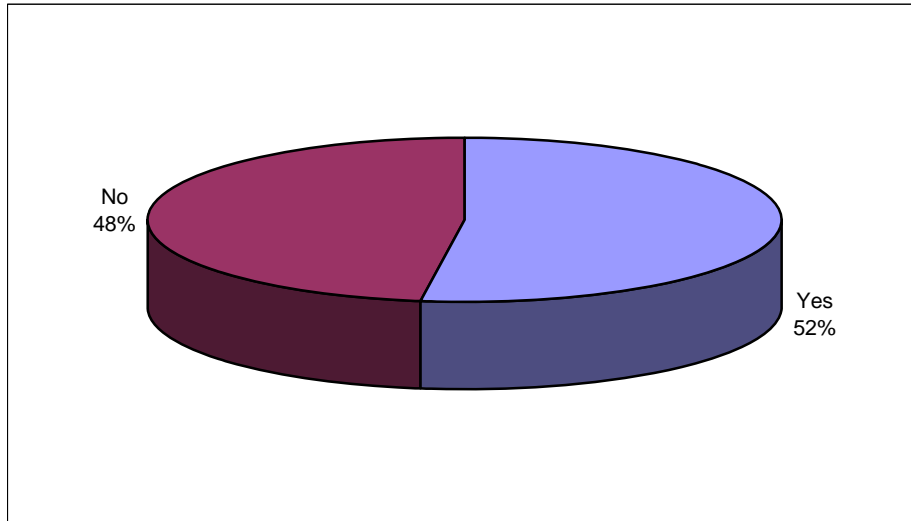
5.27   Company Website

A considerable percentage of companies don't have/ use any website for their company/ technology/ products, thereby missing on the huge opportunity of visual merchandising on Internet.

Table 5.27: Website for company/products/ technology
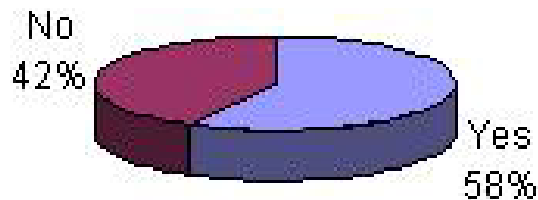
5.28   Monitoring of Website

In case of 55 percent of the companies they continuously monitor the association web site revamp endeavors and schedules.

Table 5.28: Monitoring of Association website revamp endeavors & schedules
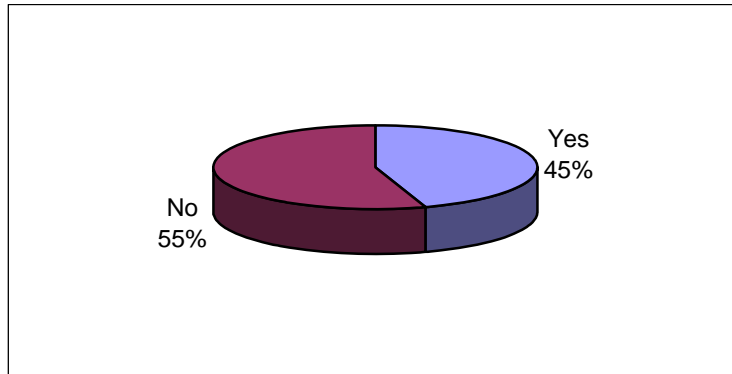
5.29   Presence/Absence of dominant competitors

Majority of the companies that were interviewed feel that dominant competitors are not present and only around 19% of the companies say that they do feel that dominant competitors do exist.

Table 5.29: Non existence of dominant competitors
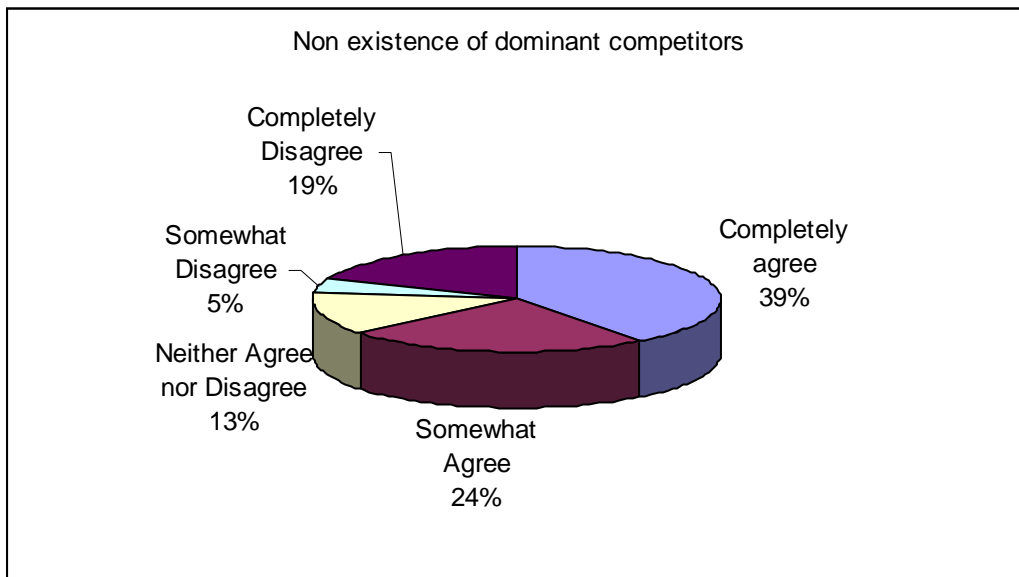
5.30: Unique Competitive Advantage of Product

Majority of the companies i.e. around 85% have said that the products have unique competitive advantage.

Table 5.30: Existence of unique competitive advantage of product

Pie chart showing:
- Somewhat Disagree 4%
- Completely Disagree 6%
- Neither Agree nor Disagree 5%
- Somewhat Agree 19%
- Completely agree 66%
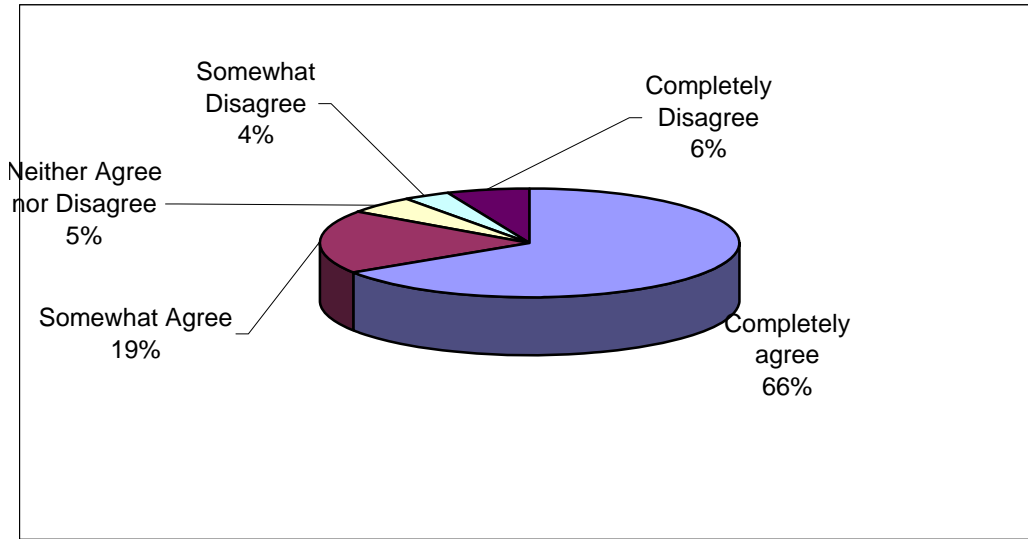
5.31 Clear Definition of Product

Over 9 out of 10 customers feel that their products are clearly defined and there are no ambiguities in relation to the definition of the products that they manufacture.

Table 5.31: product is clearly defined

Pie chart showing:
- Somewhat Disagree 1%
- Completely Disagree 3%
- Neither Agree nor Disagree 5%
- Somewhat Agree 12%
- Completely agree 79%
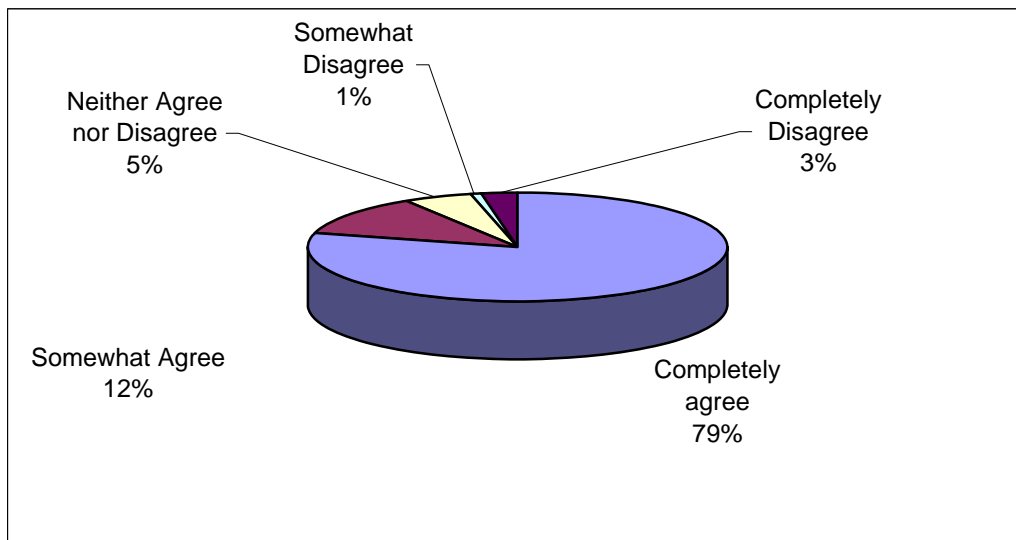
5.32 Reputation of Product

Majority of the companies have said that the product that they manufacture has a good reputation in the market.

Table 5.32: Product has a good reputation

Neither Agree
nor Disagree
2%

Somewhat Agree
17%

Completely
agree
81%
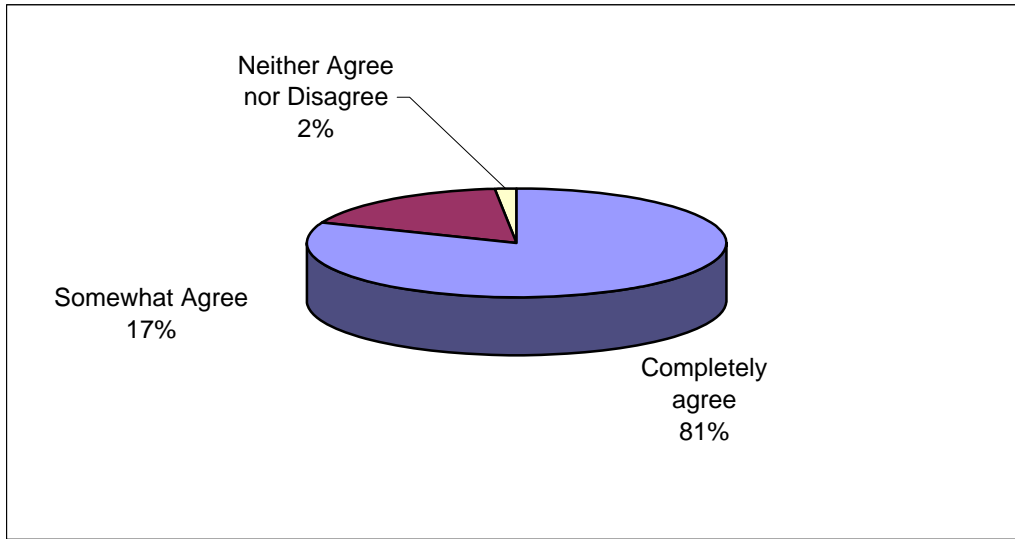
5.33　Separate Marketing Division

In majority of the companies in which interviews were conducted they have a separate marketing department to take care of marketing related activities.

Table 5.33: Existence of separate marketing department

Somewhat
Disagree
1%

Completely
Disagree
5%

ither Agree nor
Disagree
4%

Completely agree
72%

Somewhat Agree
18%
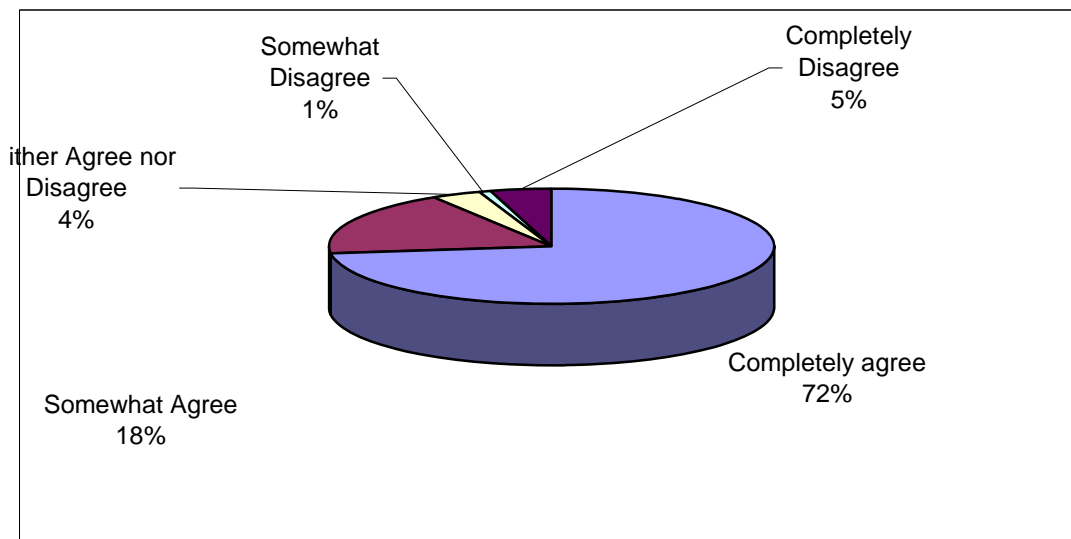
5.34　New Brand Identity logo

Around 75 percent of the respondents agree with the fact that they have a new brand identity- logo.

Table 5.34: Existence of new brand identity logo
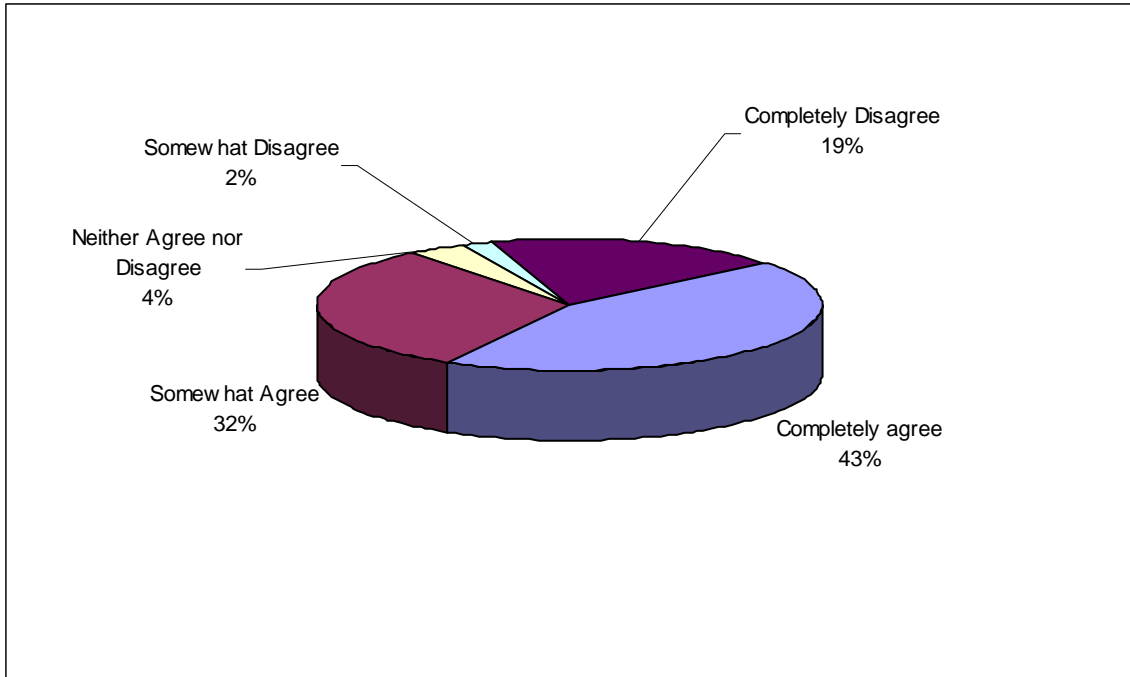
5.35   Communication of key brand messages/product benefits

Almost three forth of the companies have said that the key brand messages/ product benefits are clearly communicated.

Table 5.35: Clear communication of Brand messages/ product benefits

Clear Communication of Brand messages/ product benefits

Somew hat Disagree
4%

Completely Disagree
14%

Neither Agree nor
Disagree
8%

Somew hat Agree
35%

Completely agree
39%
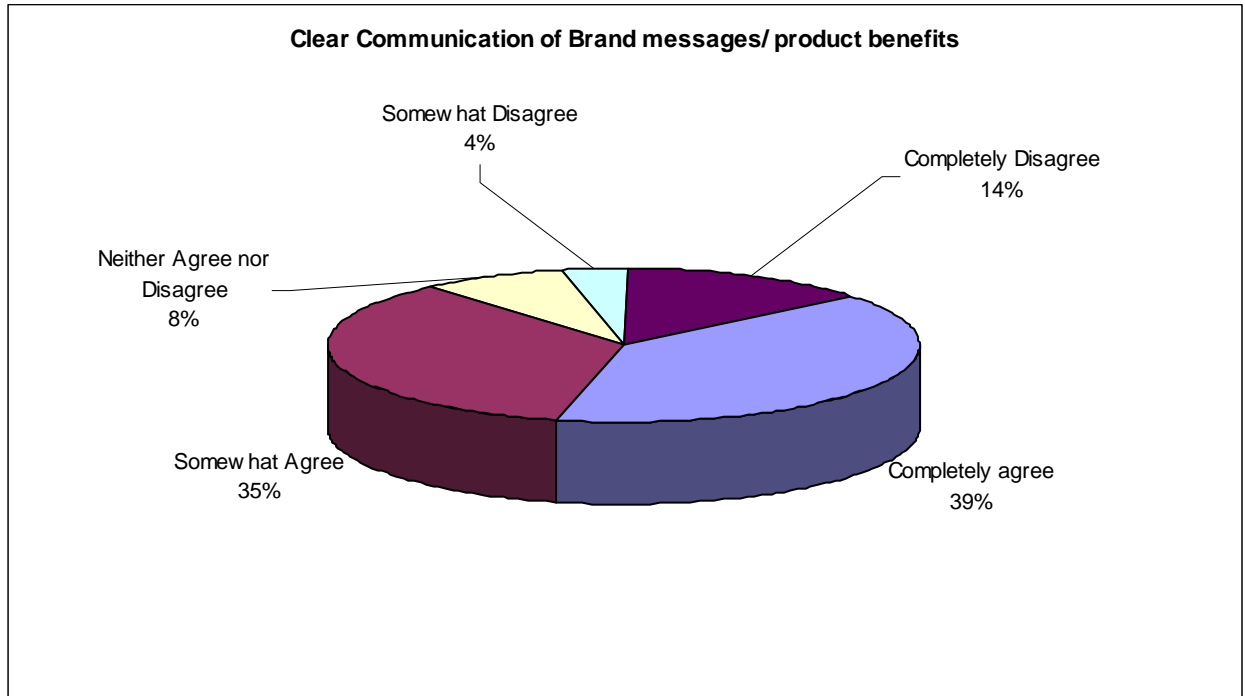
5.36   Branding Readiness

Among the variables that have been responded in question 12 lowest percentage of
positive response has came in relation to the company's having their trademarks and
patents on any of their products and technology. Only around 12.6% of the companies
have said that their company has trademarks and patents on any of the product or
technology.

Table 5.36: Issues concerning company, product, technology identity & Marketing

Bar chart data:
- Company have a name: 100.0
- Company have a logo: 64.0
- Company have sales staff or company: 63.1
- Logo is visible: 62.2
- Company have a separate sales and marketing: 59.5
- Company have a website: 57.7
- company participate regularly in buyer seller: 41.4
- Company and product have separate names: 31.5
- Company have a guideline laid down for marketing: 31.5
- Company & product have separate names: 31.5
- Company have trademarks & patents on any of: 12.6

5.37   Turnover

The average turnover of the surveyed auto-component companies in the FY 2006-07 is Rs. 35.77 Crores. Around 48 percent of the companies had a turnover between Rs. 5 to 25 Crores in FY 2006-07 as compared to 27% of the companies that had a turnover of above Rs. 50 Crores in the same period.

Table 5.37: Turnover in (Rs.)
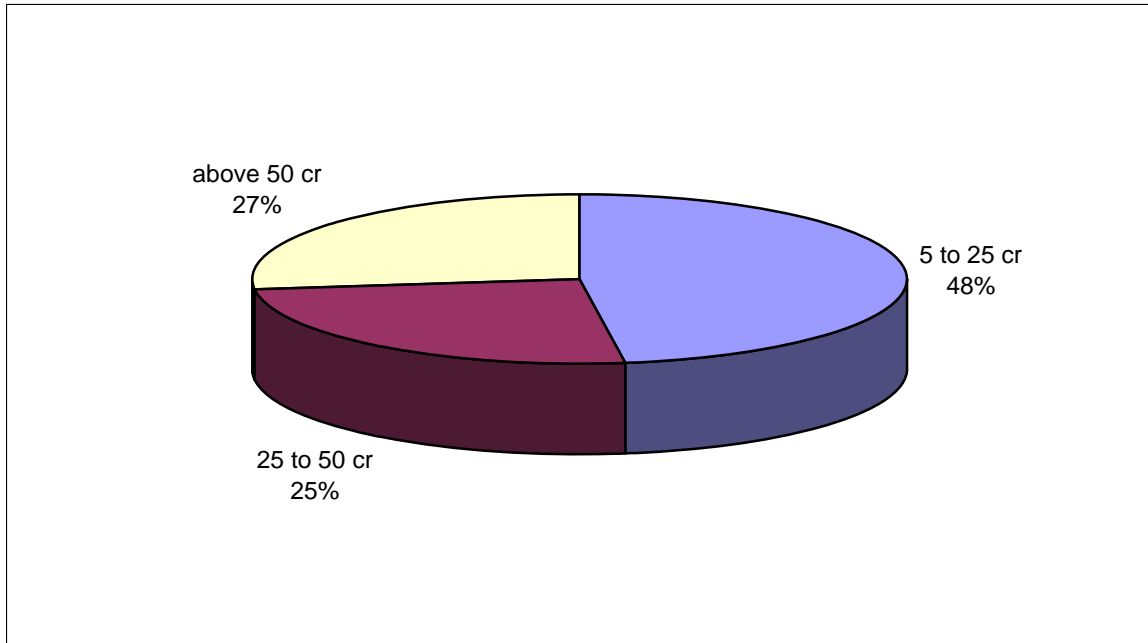
5.38 Investment in Plants & Machinery

Majority of companies have an investment of Rs. 20 Cr. Or More in Plants and Machinery, among this majority of them have an investment upwards of Rs. 50 Crores. Companies having an investment between Rs. 1 to 10 Crores is also very high i.e. around 30%. The average investment of these companies in plant and machinery is Rupees 31.01 Crores.

Table 5.38: Share of domestic sales in Total sales

upto 1 cr
6%

1 to 5 cr
15%

above 50 cr
34%

5 to 10 cr
15%

20 to 50 cr
22%

10 to 20 cr
8%
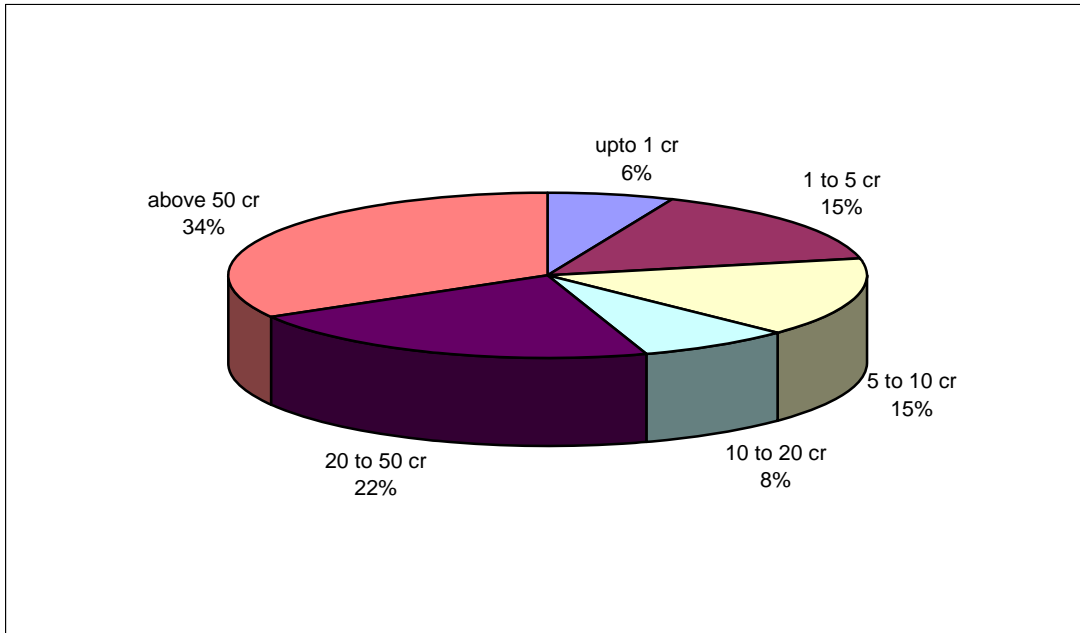
5.39   Domestic vs. Export Sales

Majority of the companies i.e. around 58% of the companies have 80 to 100 percent of their total sales from domestic sales. The companies that have 80 percent or more of their total sales from export markets are approximately 5%.

Table 5.39: Share of Domestic sales in Total Sales

Share of Domestic Sales in Total Sales

20 percent or less
5%

20 to 40 percent
8%

40 to 60 percent
8%

80 to 100 percent
58%

60 to 80 percent
21%
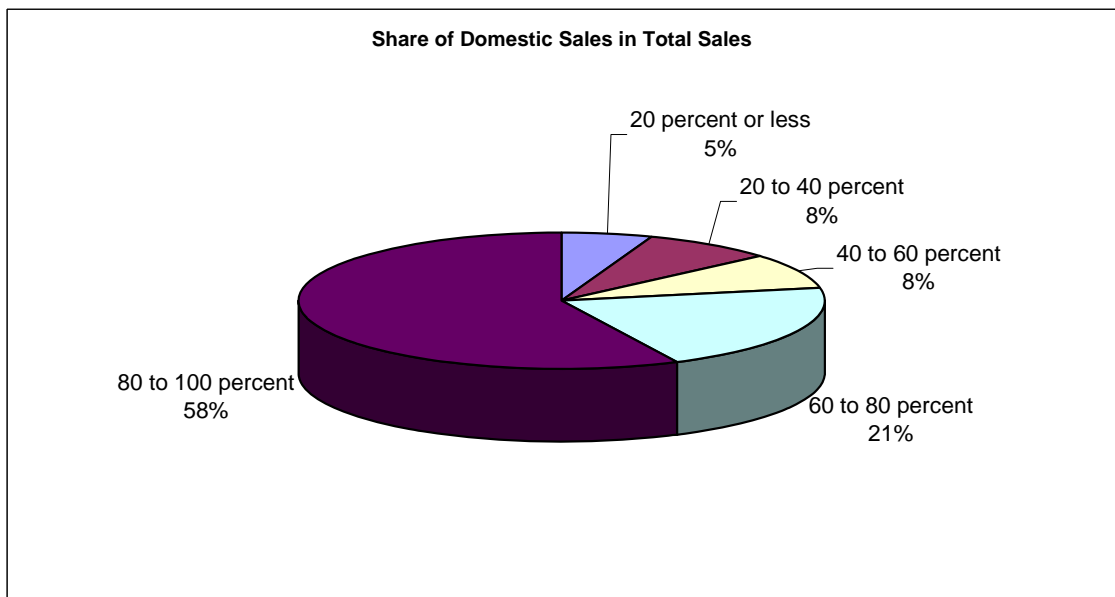
TABULATED DATA OF THE TEXTILE SECTOR

5.40   Approximate number of competitors in the cluster

At an average, the surveyed textile enterprises feel that around 356 competitors exist in their clusters. However, in more than 53 percent of cases this figure is upto 50 competitors per cluster. Just over 23 percent enterprises have more than 100 competitors and over 10 percent have 500 competitors in their cluster, implying that these enterprises are located in relatively large clusters.

Table 5.40: Approximate Number of competitors in cluster
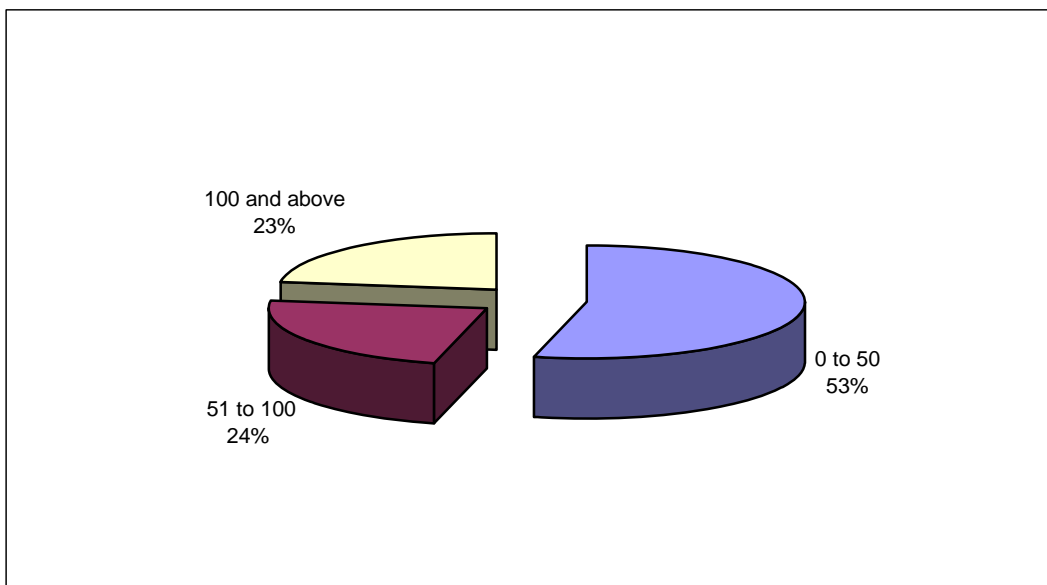
5.41   Average size of each competitor

The average size (turnover) of each competitor as perceived by the respondents is around 28.77 crores. The turnover ranges between Rs. 1 crore to 200 crores. Maximum competitors, 34% of them, have a turnover between Rs. One crore and Rs. 10 crores. Just a little more than 10% of the competitors have a turnover above Rs. 50 crores.

Table 5.41: Average Investment by Competitors
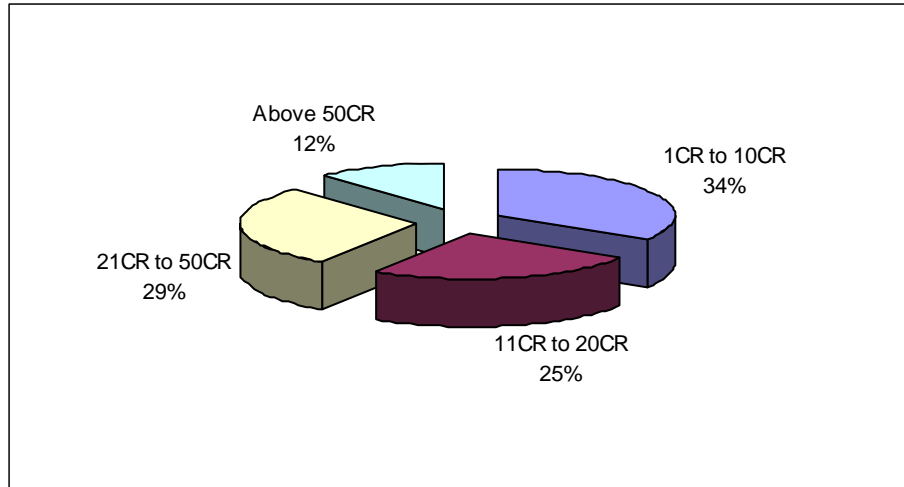
5.42 Average Investment by Competitors

Average investment by competitors in the clusters is Rupees 14.6 crores as perceived by the respondents. Most competitors, more than 50% of them, invest just between Rs. One crore and Rs.10 crores in their businesses. Only a meagre 2% of the competitors have invested more than Rs. 50 crores.

Table 5.42: Average Investment by Competitors
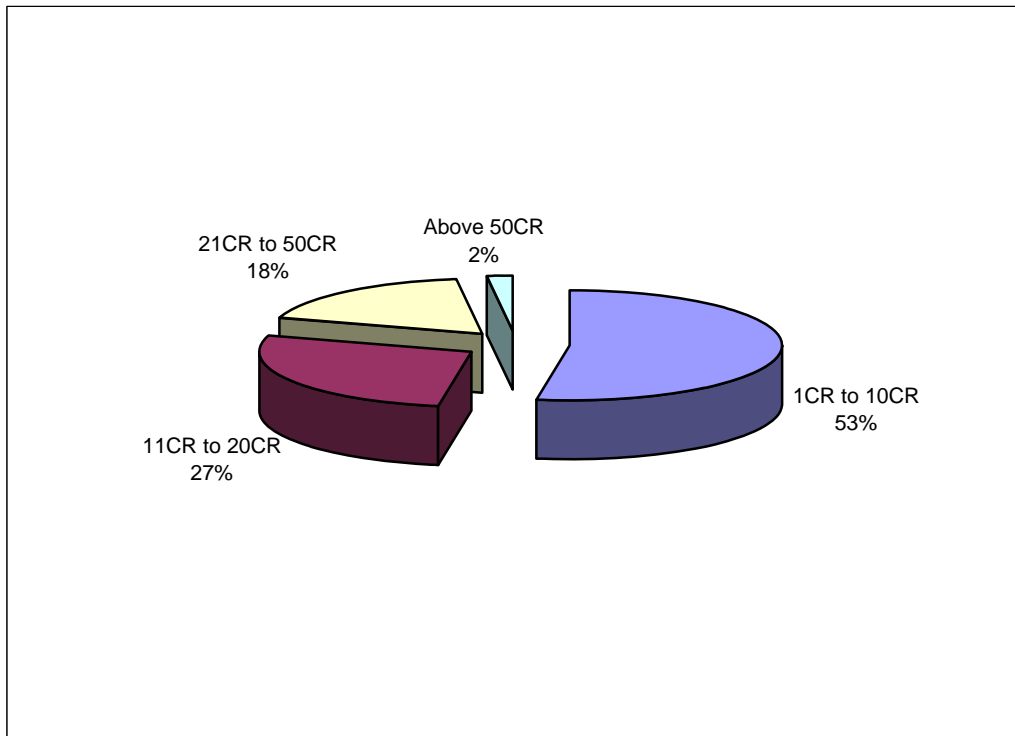
5.43   Market Size of cluster

Among the surveyed clusters, Thirupur is the largest textiles cluster in terms of market size (business in Rs. Crores).

Table 5.43: Market Size (in Rs. Crores) of Textiles Cluster
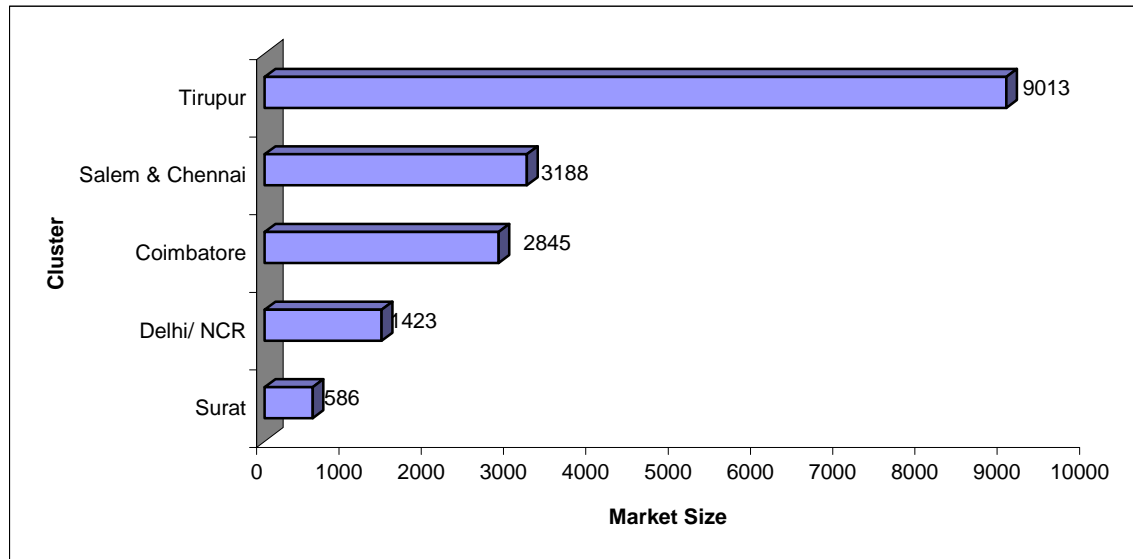
5.44   Expenditure on Research and Development

Around three-fourth of the surveyed enterprises do not have any in-house R&D facility. Out of the remaining 26 percent, a majority invests just about Rs. One lakh to Rs. 10 lakhs per annum on research and development activities. Only 3 percent invest between Rs. 51 Lakh to one crore per annum on these activities.

Table 5.44: Average annual R&D expenditure

1 to 10 Lakh
17%

11 to 50 Lakh
6%

51 Lakh to 1 Crore
3%

No in-house R&D
74%
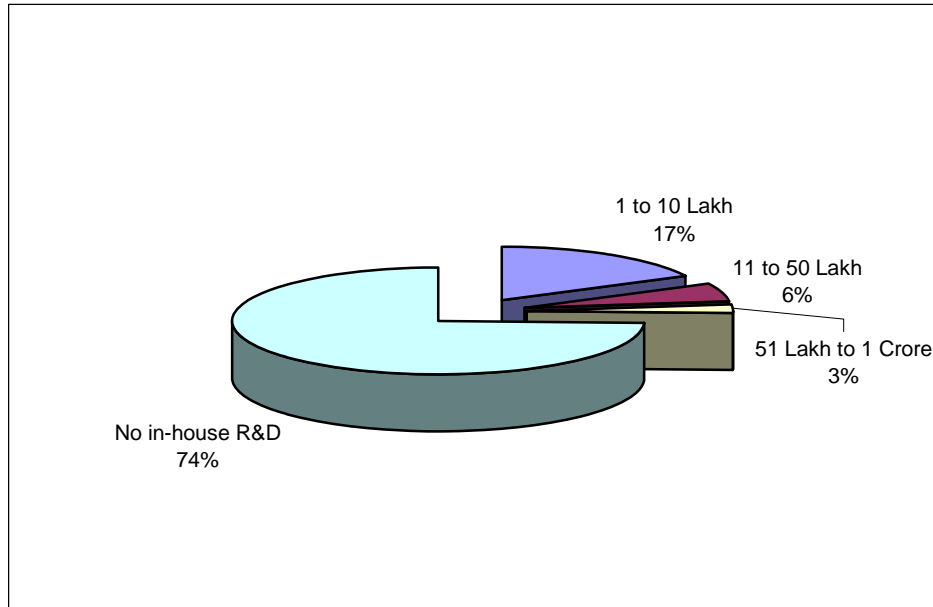
5.45 Export Orientation

A healthy majority of companies are into exports.

Table 5.45: Export Orientation

No
36%

Yes
64%
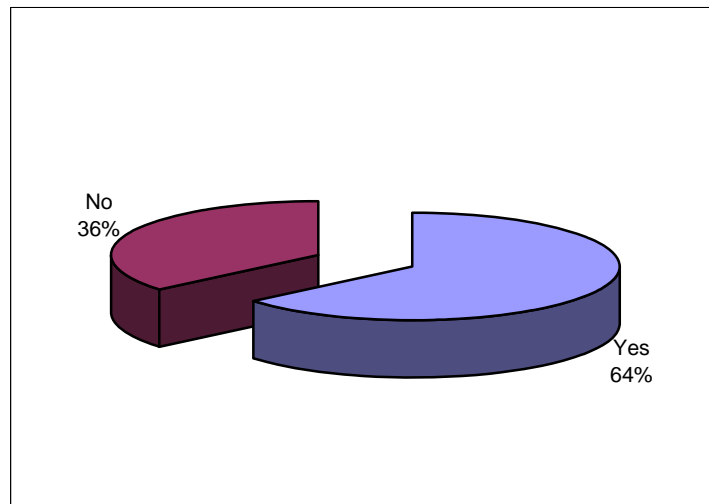
5.46   Use of Unique/Indigenous Technology

In terms of innovative technologies, one-fifth of the enterprises neither use any indigenous technology nor any unique technology. However, only 7 percent of the enterprises are using indigenous technologies (technology developed by that particular manufacturer for its own use), while a large 73 percent of the enterprises are using unique technologies (only that particular manufacturer is using that technology in that cluster for that specific purpose) to their cluster.

Table 5.46: use of Unique/Indigenous technology
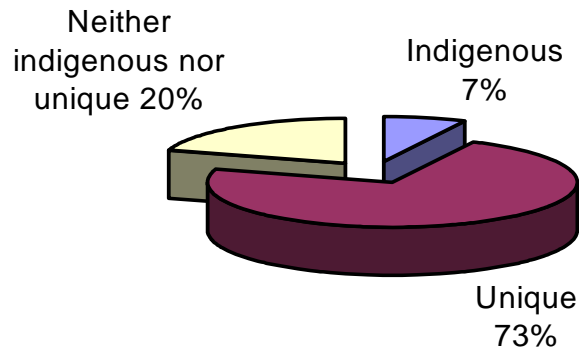
5.47   Foreign Collaborations

Not surprisingly, only a small number of enterprises, just about 6 percent, have some kind of foreign collaboration. The rest have no foreign collaboration whatsoever.

Table 5.47: Do you have any foreign collaboration?

Yes
6%

No
94%
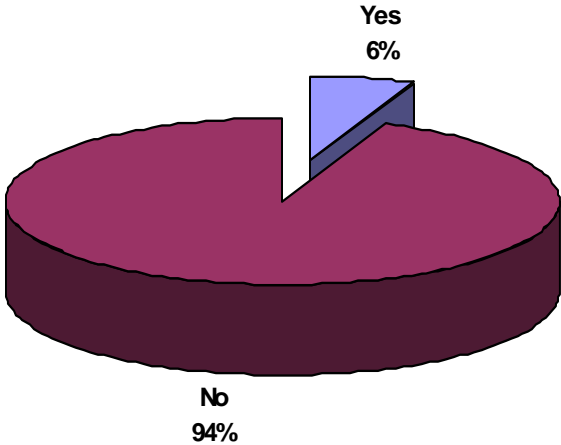
5.48 Nature of Foreign Collaboration

Among the enterprises having foreign collaborations, 57 percent have technical collaborations while 43 percent have financial collaborations.

Table 5.48: Nature of foreign collaboration

Financial
43%

Technical
57%
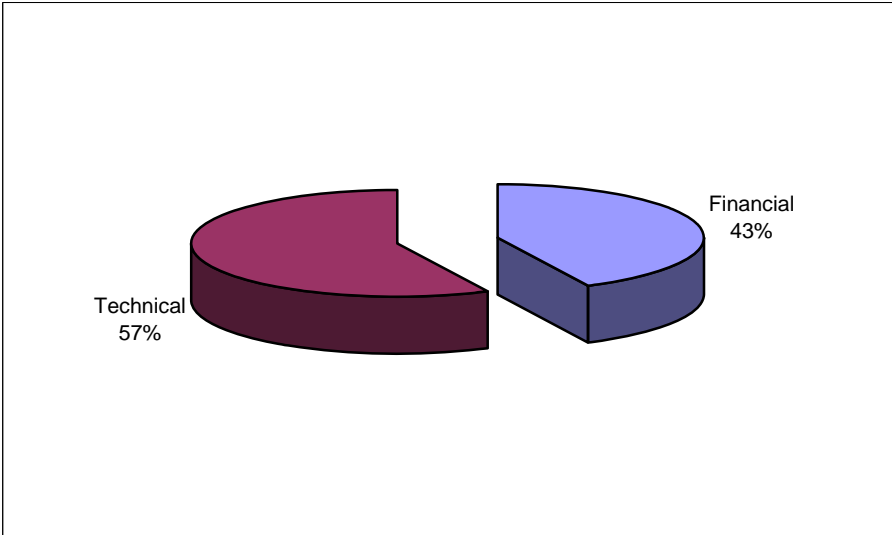
5.49   Special features of indigenous/ unique technologies used Innovativeness

Around 60 percent of the respondents feel that the technology being used by their company is a completely new innovation.

Table 5.49: The technology is a completely new innovation
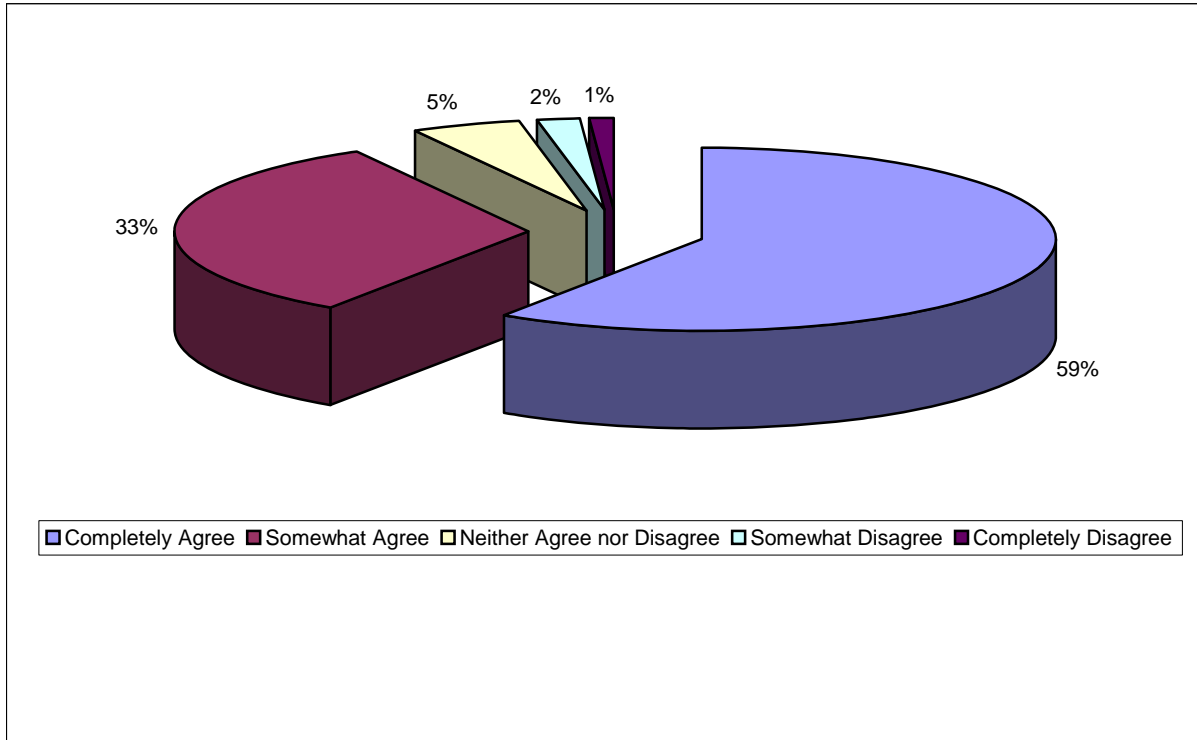
5.50   Core technology

Around 40 percent of the respondents are of the view that the technology is used as a core technology.

Table 5.50: The technology is a core technology

3%
19%
40%
38%

☐ Completely agree   ■ Somewhat Agree
☐ Neither Agree nor Disagree   ☐ Somewhat Disagree
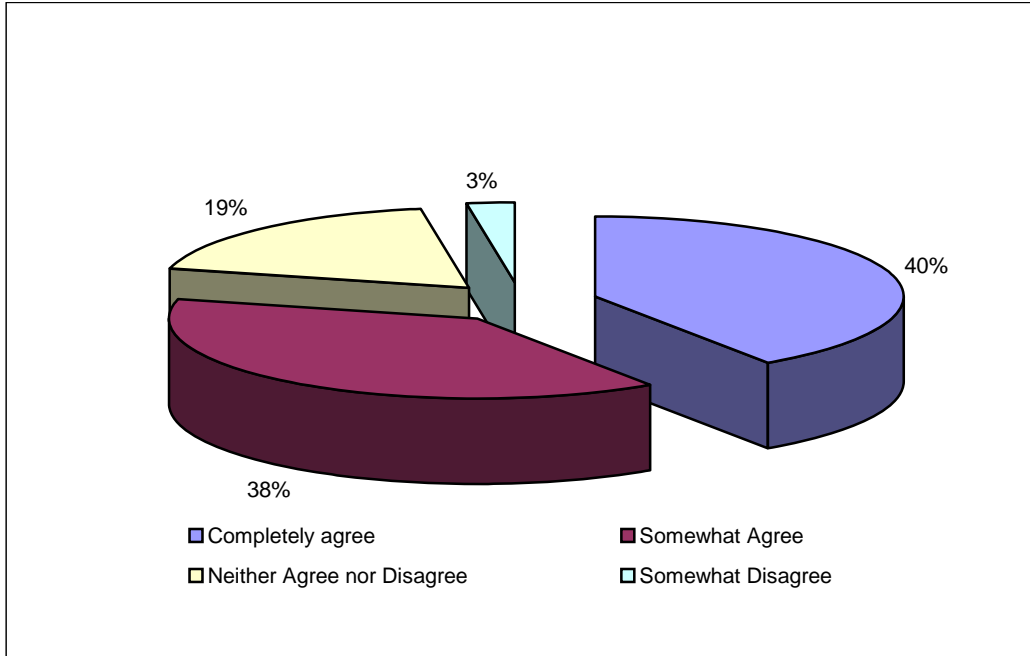
5.51   Reliability

More than 90% of the respondents agree that the technology used by their company is reliable.

Table 5.51: The technology is reliable

6%   2%
41%
51%

☐ Completely agree ■ Somewhat Agree ☐ Neither Agree nor Disagree ☐ Somewhat Disagree
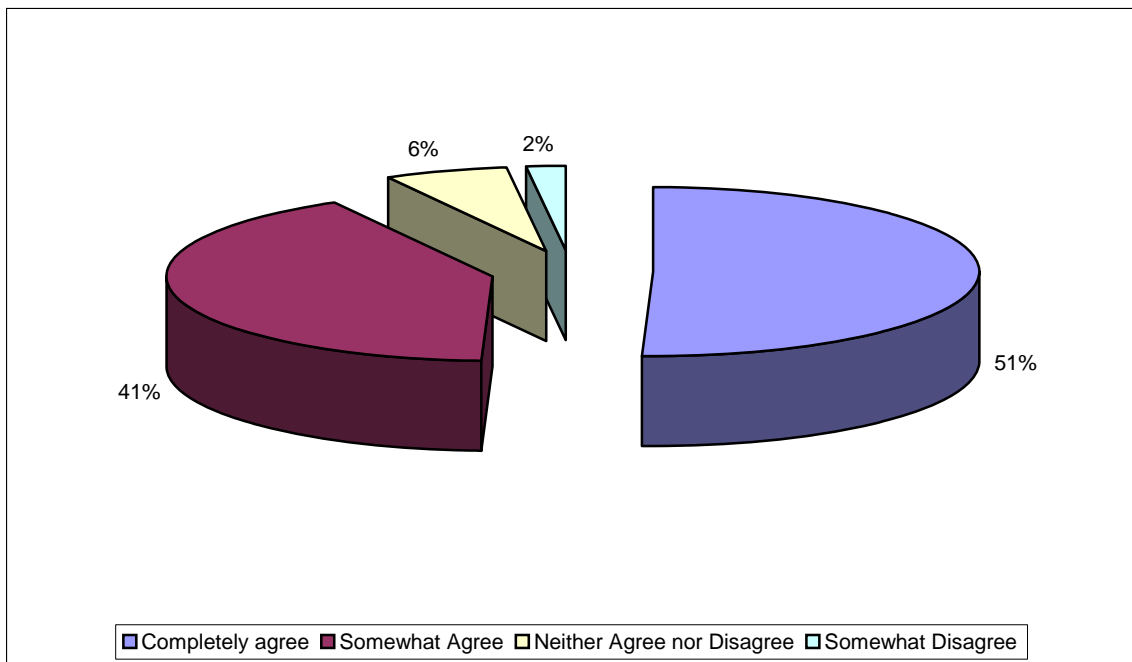
5.52   Cost

7 out of 10 respondents also agree that the technology is costly. Just about 10 percent of the respondents think otherwise.

Table 5.52: The technology is costly
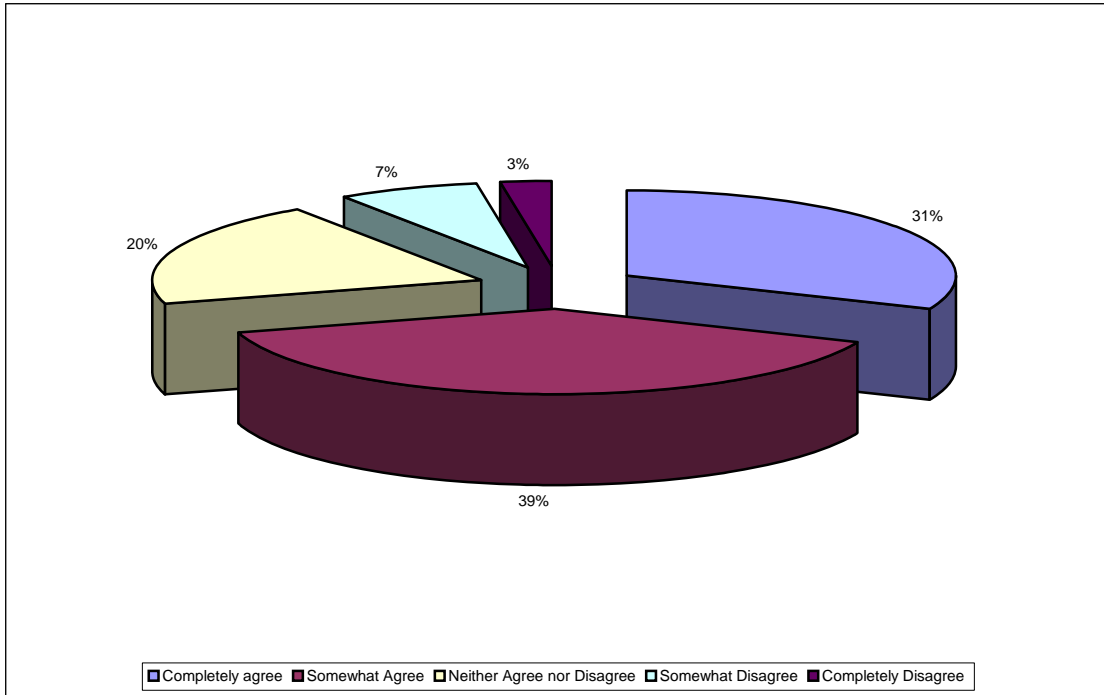
5.53   Complexity

Two-third of the respondents feel that the technology is complex.

Table 5.53: The technology is complex

Legend:
- Completely agree
- Somewhat Agree
- Neither Agree nor Disagree
- Somewhat Disagree
- Completely Disagree

(Values shown: 24%, 1%, 17%, 16%)
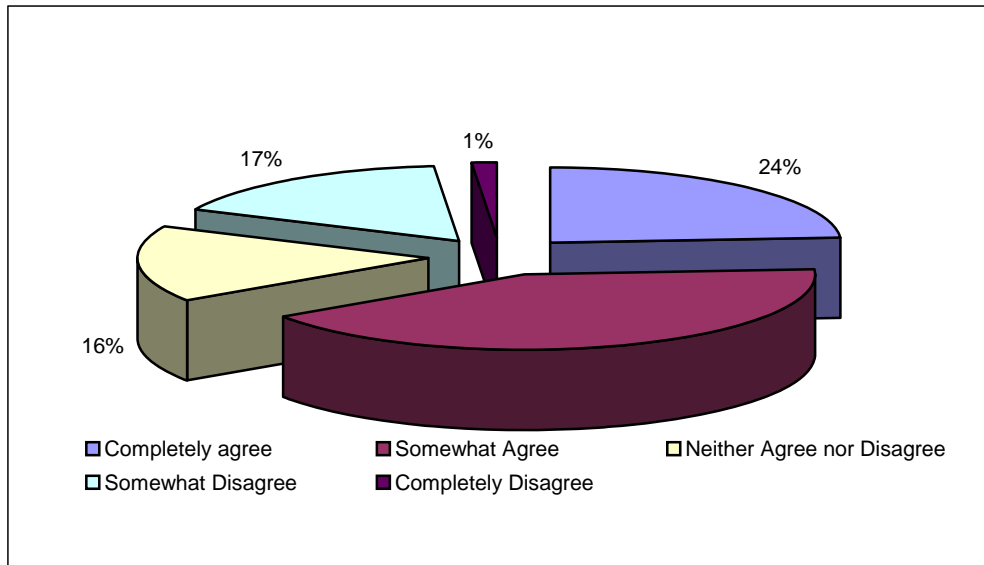
5.54 Hard to Substitute

A total of two-thirds of the respondents feel that the technology used by them is hard to be substituted by other technologies.

Table 5.54: The technology is hard to substitute

Legend:
- Completely agree
- Somewhat Agree
- Neither Agree nor Disagree
- Somewhat Disagree
- Completely Disagree

(Values shown: 17%, 4%, 14%, 24%, 41%)
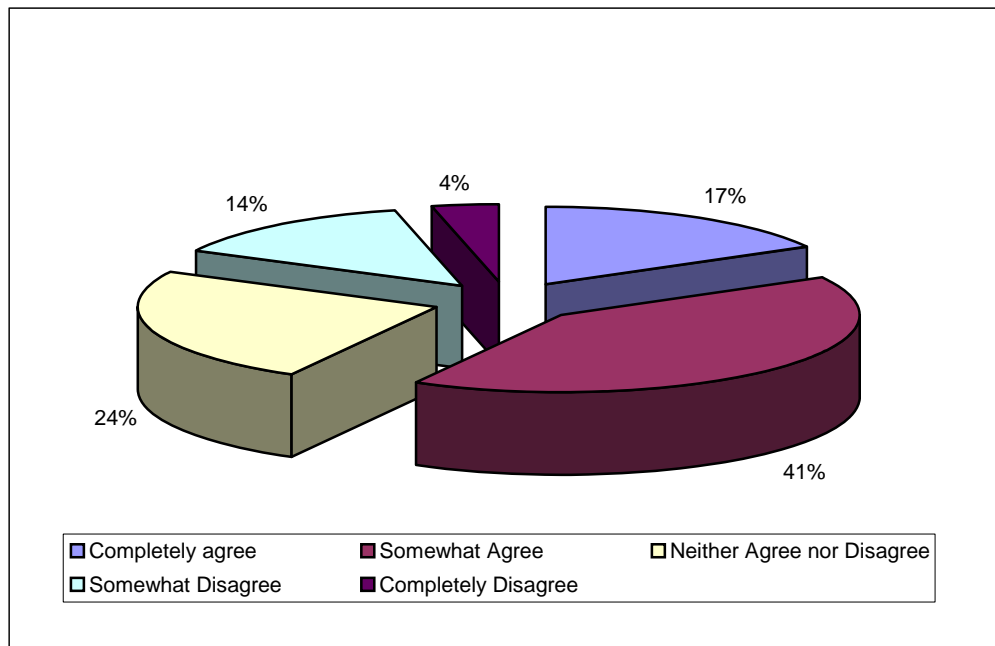
5.55   Imitation

Again, two-thirds of the respondents feel that the technology used by them would be hard to be imitated by others.

Table 5.55: The technology is hard to imitate

Legend:
- Completely agree
- Somewhat Agree
- Neither Agree nor Disagree
- Somewhat Disagree
- Completely Disagree

Values shown: 16%, 1%, 21%, 19%, 43%
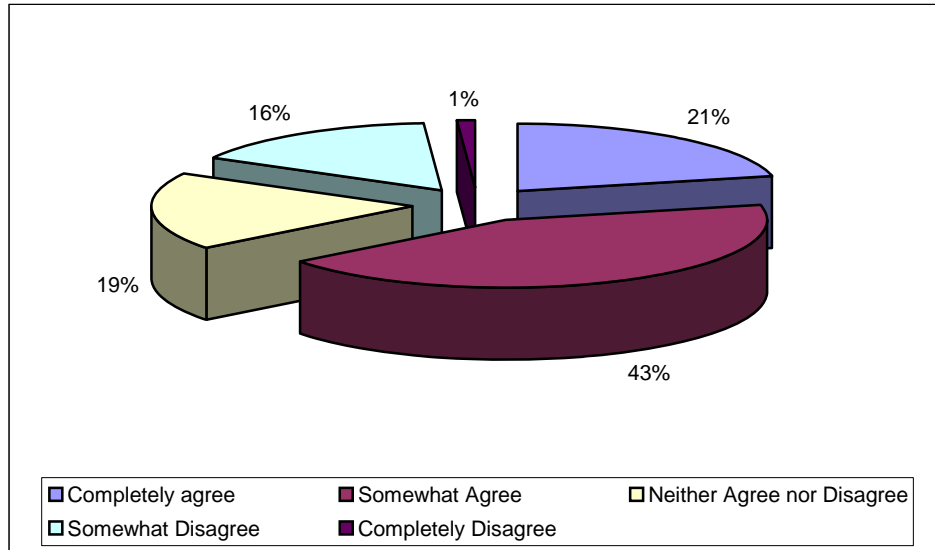
5.56   Market Potential

A large majority of the respondents, more than 80 percent of them, are of the opinion that the technology being used by their company has a great potential in the market.

Table 5.56: The technology has a great market potential

- Completely agree
- Somewhat Agree
- Neither Agree nor Disagree
- Somewhat Disagree
- Completely Disagree
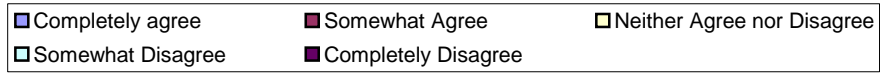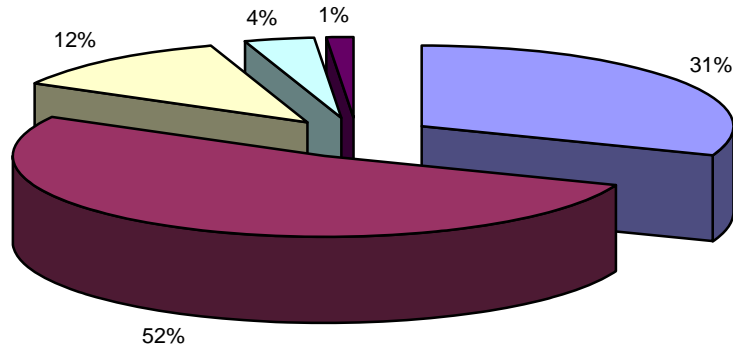
5.57   Patents

More than 70 percent of the respondents say the technology process/product is patented.

Table 5.57: The technology is patented

☐ Completely agree	■ Somewhat Agree	☐ Neither Agree nor Disagree	☐ Somewhat Disagree	■ Completely Disagree
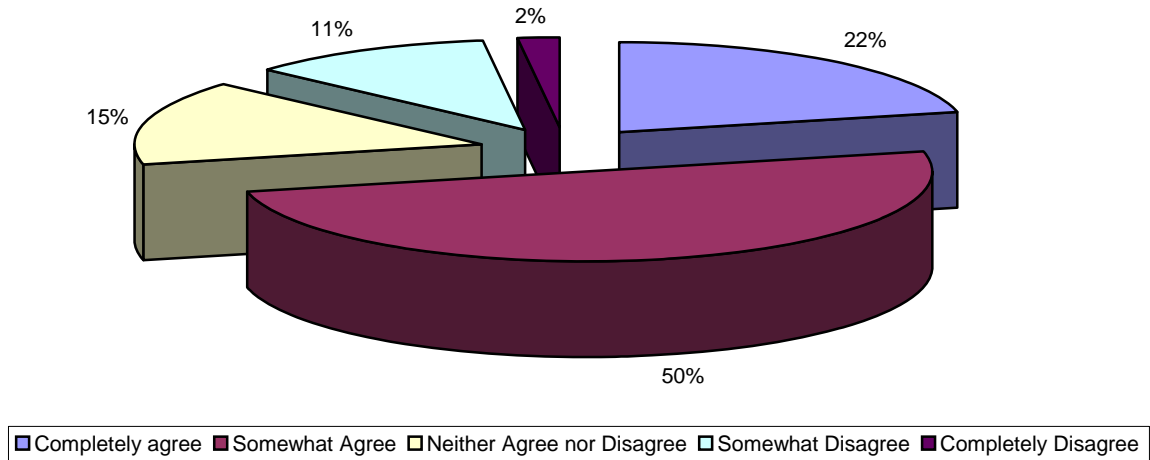
5.58 Meeting International Standards

90% of the respondents think that their technology process/product meets international standards and approvals. This shows that they have a high degree of confidence on the quality of their technology or product.

Table 5.58: The technology meets International standards

Legend:
- Completely agree
- Somew hat Agree
- Neither Agree nor Disagree
- Somew hat Disagree
- Completely Disagree

Values shown: 34%, 56%, 6%, 3%, 1%
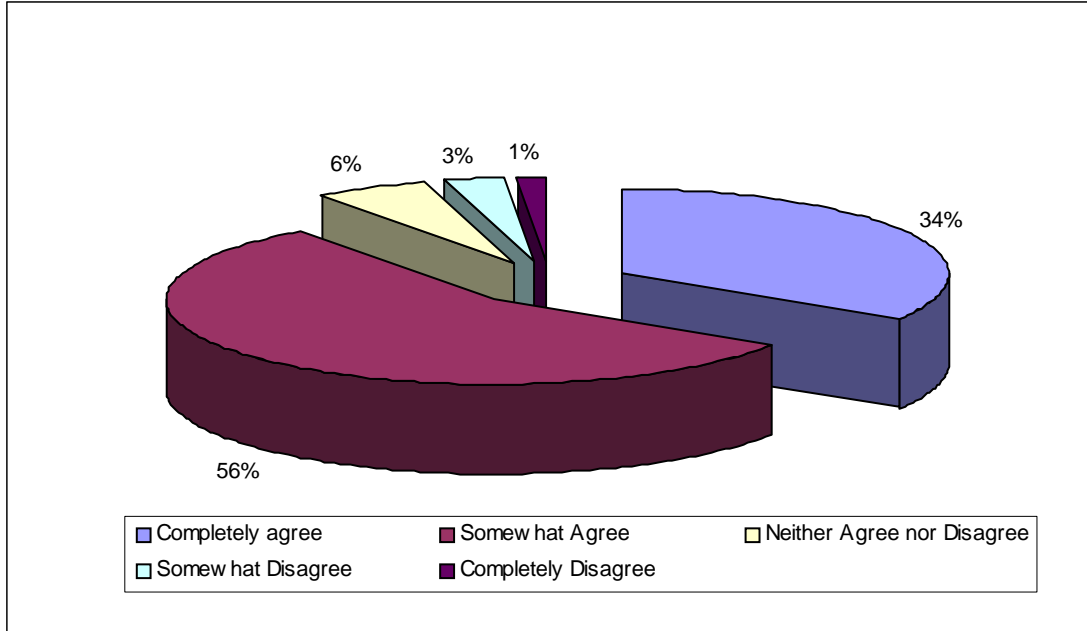
5.59   Identity logo

As expected, a majority of the textile enterprises, nearly two-third of them, do not have any kind of identity logo of their company or products or technology. This shows that they are not doing any active marketing of the product and are not making any effort to create and promote it as a brand. Only one-third of these enterprises have an identity logo. This may be because these enterprises manufacture for other brands.

Table 5.59: Identity Logo
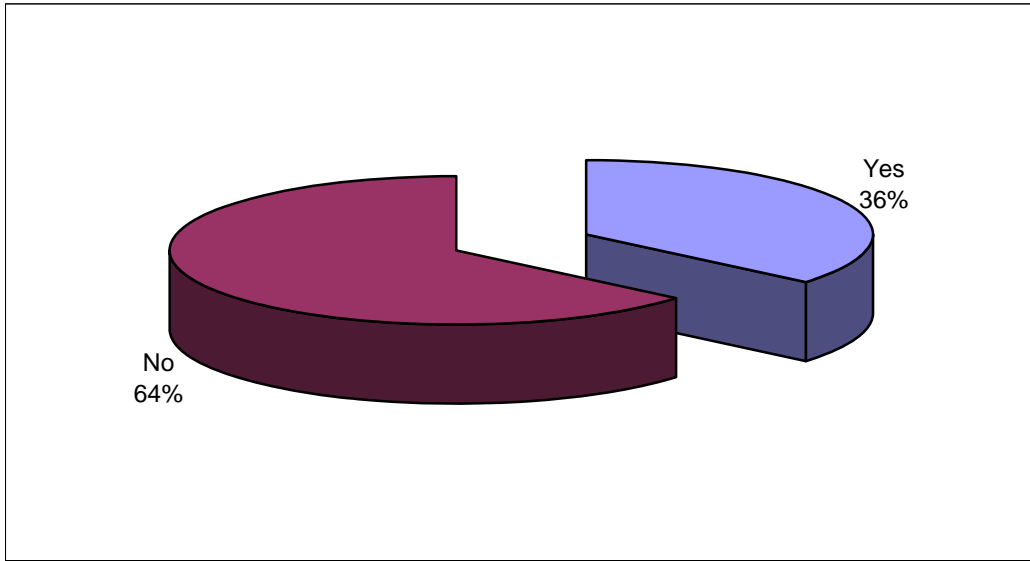
5.60 Message related to branding

Close to 9 out of 10 enterprises do not have any message related to branding for their company/ product/ technology.

Table 5.60: Does your company/ product/technology have any message(s)?
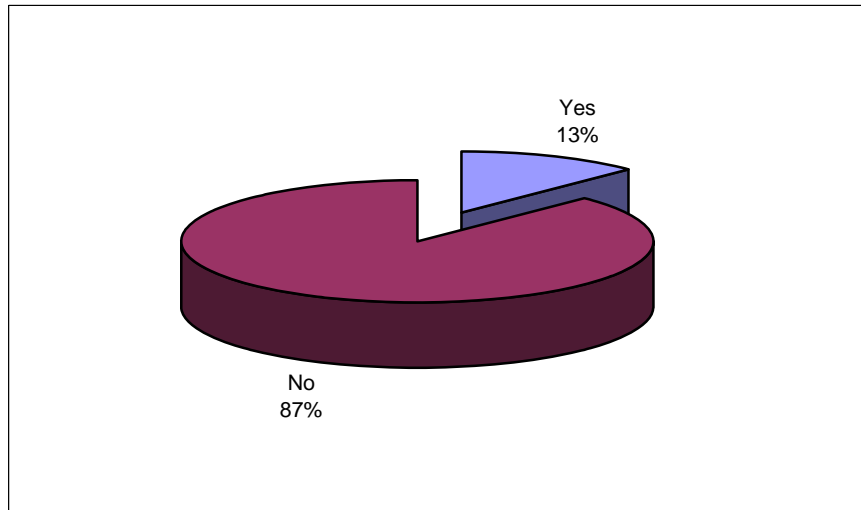
5.61 Identity Guidelines

90% of the companies do not have any identity guidelines to maintain the integrity of the logo and message delivery. This again demonstrates the lack of any concrete initiatives in branding of either the company or its products and technologies.

Table 5.61: Does your company/ products/ technology have any identity guidelines?
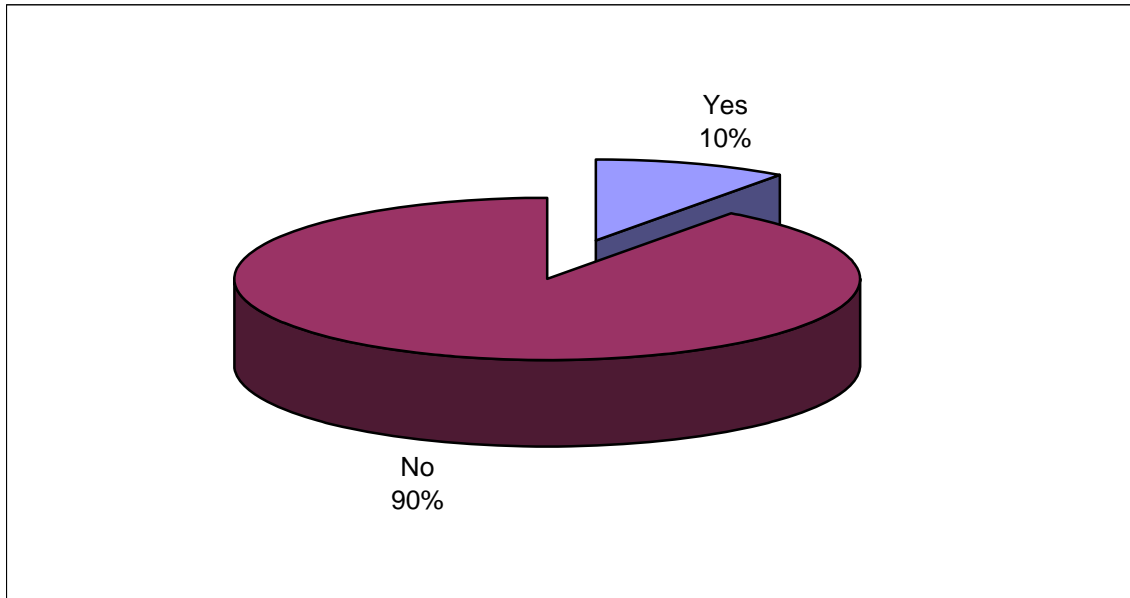
5.62 Monitoring of logo use

A little over 8 out of 10 of the textile SMEs do not have a monitoring system to continuously monitor where, when and how the company or product or technology logo and messages are used.

Table 5.62: Does your company have a continuous system of monitoring logo use?

Yes
18%

No
82%
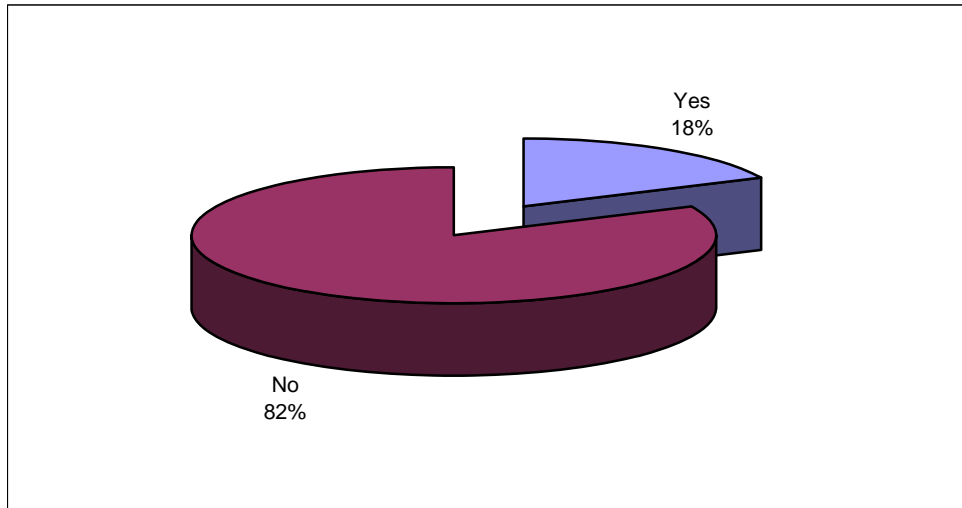
5.63   Creation and Implementation of Communication channels

Nearly 90% of the enterprises do little by way of creation and implementation of communication channels such as Brand talks and Brand team notes for distributing recent news about branding initiatives undertaken by these enterprises.

Table 5.63: Does your company create and implement communication channels?

Yes
11%

No
89%
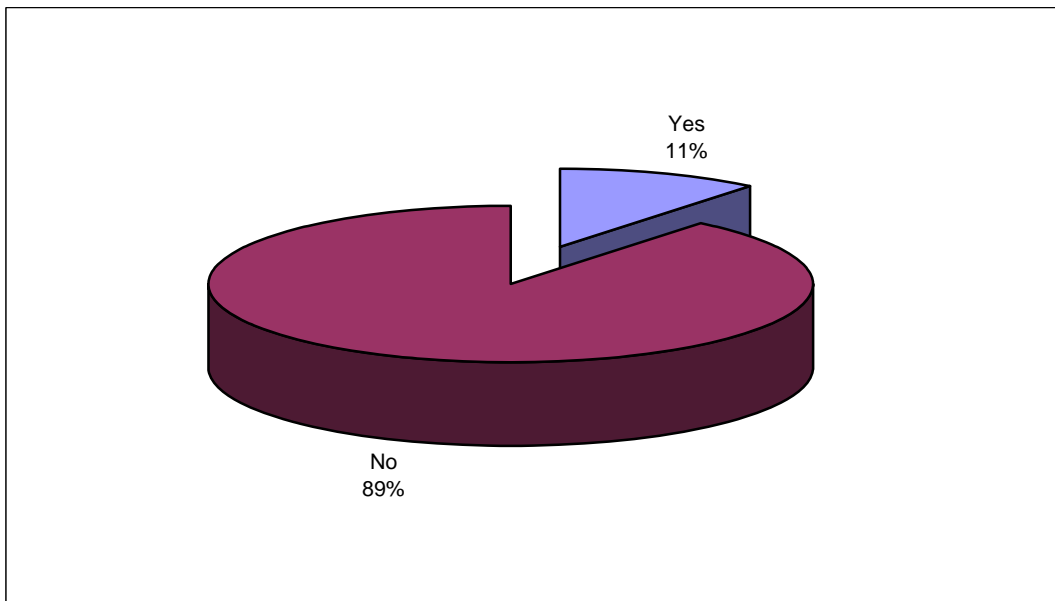
5.64   Association with Industry associations and institutions

Nearly two-thirds of the companies have some or the other kind of association with industry associations and institutions. This is a healthy figure indicating that these SMEs are making efforts to keep themselves aware of industry needs and requirements but there is still scope and need for improvement among the one-third who do not have these associations.

Table 5.64: Does your company have any association with industry associations and institutions?

Does your company have any association with Industry associations and institutions?

No
35%

Yes
65%
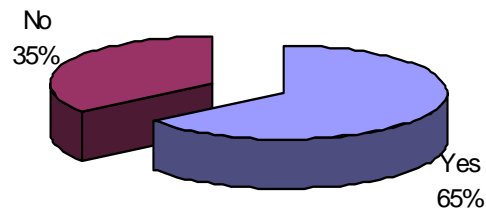
5.65   Company Website

As expected, nearly three-fourth of the textile SMEs do not have a website for their company or product or technology. This is a major drawback in this age of the digital revolution.

Table 5.65: Does your company have a website?

Yes
26%

No
74%
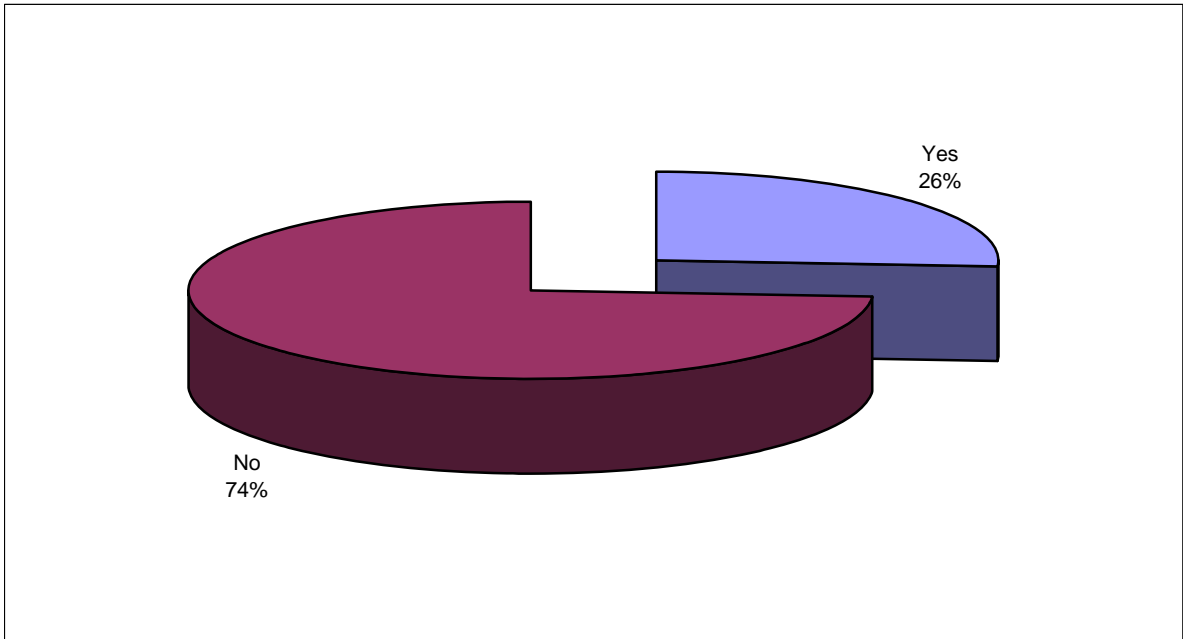
5.66   Monitoring of Website

Of the one-fourth of the companies having websites, only about 30% continuously monitor and revamp their websites and regularly update information about their latest endeavors and schedules.

Table 5.66: Does your company continuously monitor and revamp the website?

Yes
29%

No
71%
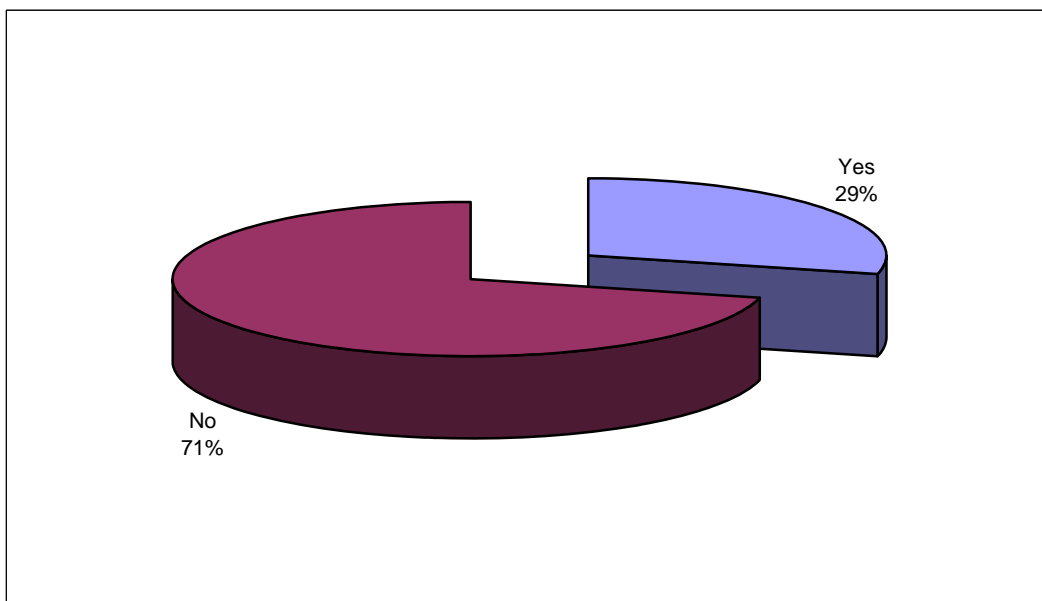
5.67   Views Regarding Product/Technology

Table 5.67: Views regarding product/technologies
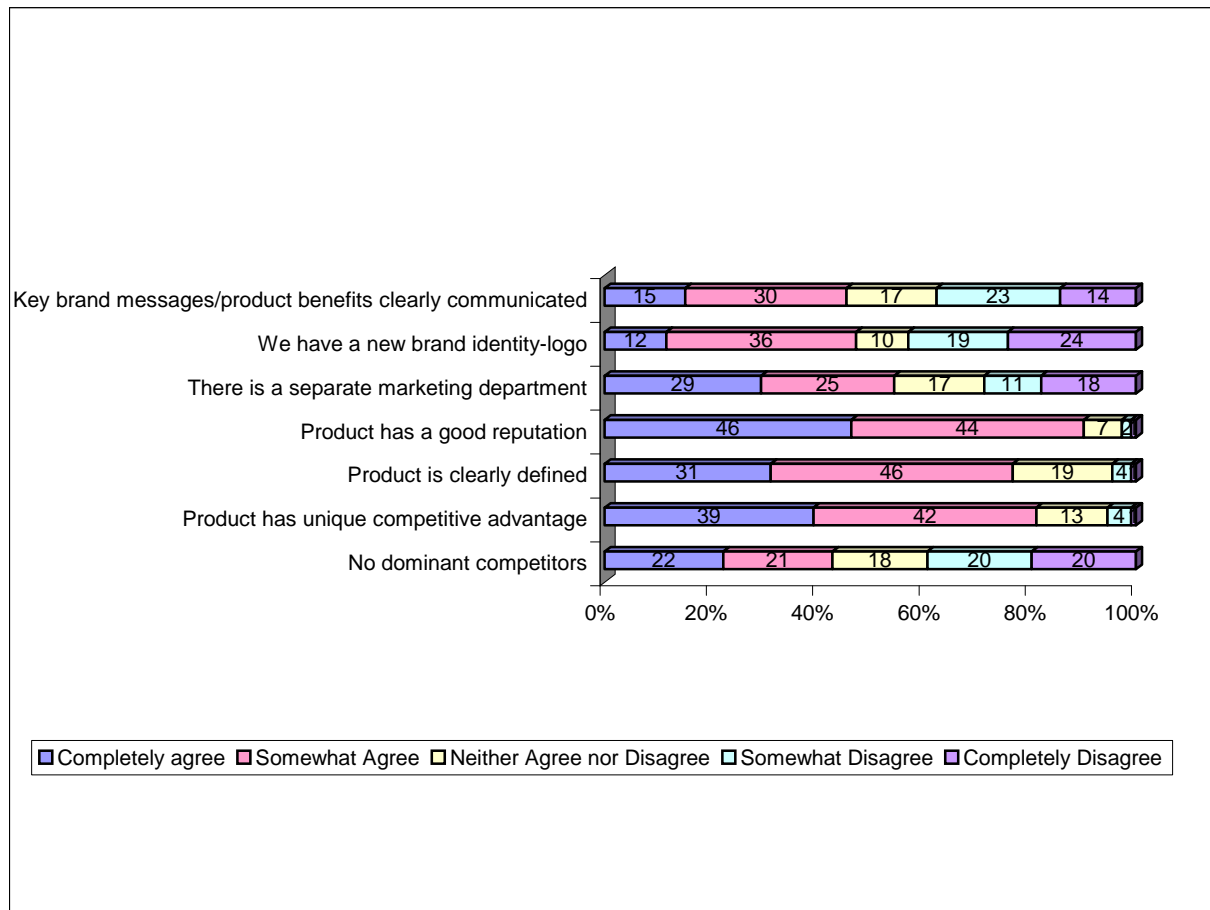
Presence/Absence of dominant competitors - There appears to be no level of agreement among the respondents over the presence of dominant competitors. There is an almost equal share giving varying responses ranging from agreement to no opinion to disagreement.

Unique Competitive Advantage of Product - A majority of the respondents, 80 percent of them, feel that their product has a unique competitive over other products in the market.

Clear Definition of Product - More than three-fourth of the respondents feel that their product(s) is/are clearly defined, i.e. has a specific purpose and use to which it is put and the customers and clients are aware of this.

Reputation of Product – 90 percent of the respondents are of the opinion that their products and technologies have a good reputation in the market and among its customers and clients.

Separate Marketing Division - Just over 50 percent of the enterprises have a separate marketing department to market and promote the company's products and technologies.

New Brand Identity logo - About 50 percent of the companies have a new brand identity or logo, i.e. they have either revamped or changed their company logo showing that they have undertaken some initiatives towards branding.

Communication of key brand messages/product benefits - There is not much effort undertaken to communicate the key brand messages and product benefits to both current and potential customers. This is an activity that can be very productive in increasing the business of the company.

Branding Readiness - All the textile enterprises surveyed have a company name but none of these companies have a separate name for their products.

5.68   Company logo

Around two-third of the textile enterprises do not have a company logo showing very little initiative towards branding.

Table 5.68: Does your company have a logo?

Yes
34%

No
66%
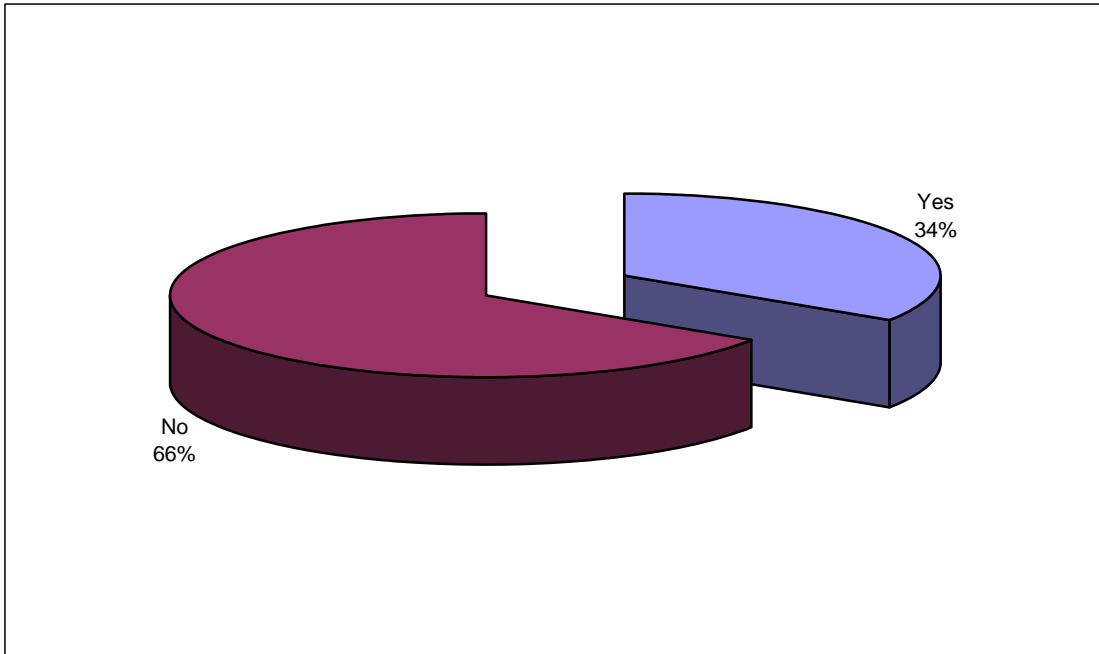
5.69 Separate company and product logo

More than 90 percent of the companies do not have a separate company and product logo.

Table 5.69: Do you have a separate company and product logo?

Yes
9%

No
91%
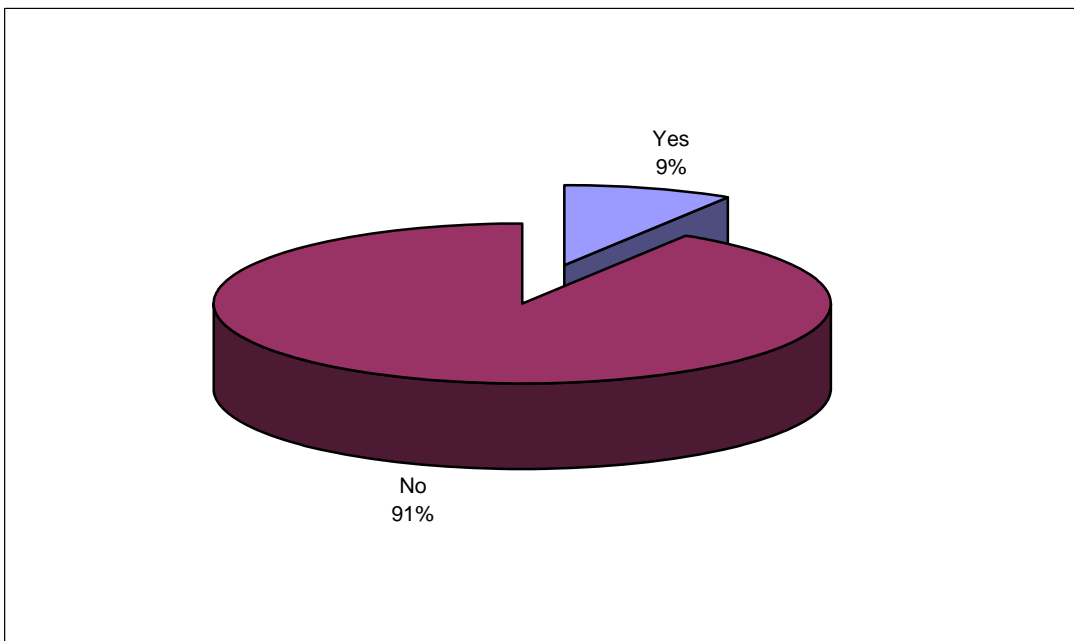
5.70   Visibility of logo

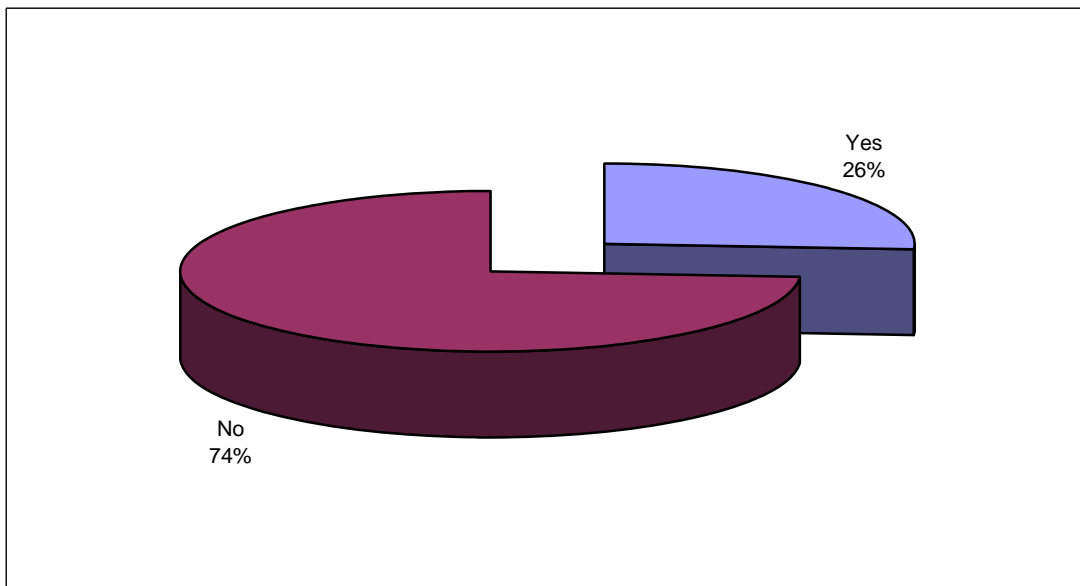Among the one-third of the companies having logos, nearly 70 percent of the companies' logos are not visible.

Table 5.70: Is the logo visible?

Yes
31%

No
69%
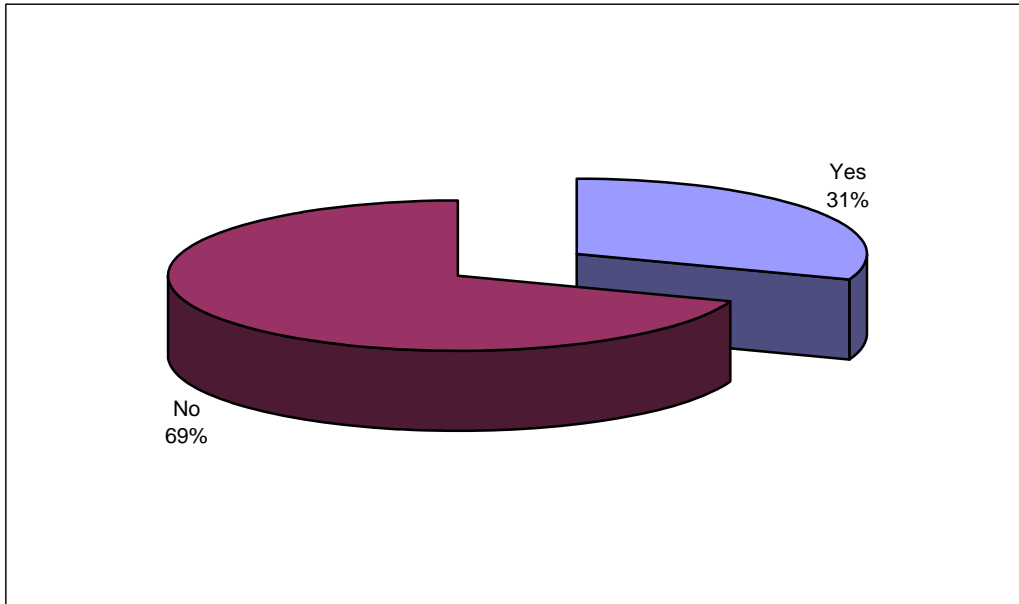
5.71   Company Website

Nearly 75% of the enterprises do not have a company website.

Table 5.71: Does your company have a website?

Yes
26%

No
74%

5.72   Separate Marketing and Sales department

Nearly three-fourth of the companies do not have a separate sales and marketing department.

Table 5.72: Does your company have a separate sales and marketing department?

Yes
26%

No
74%
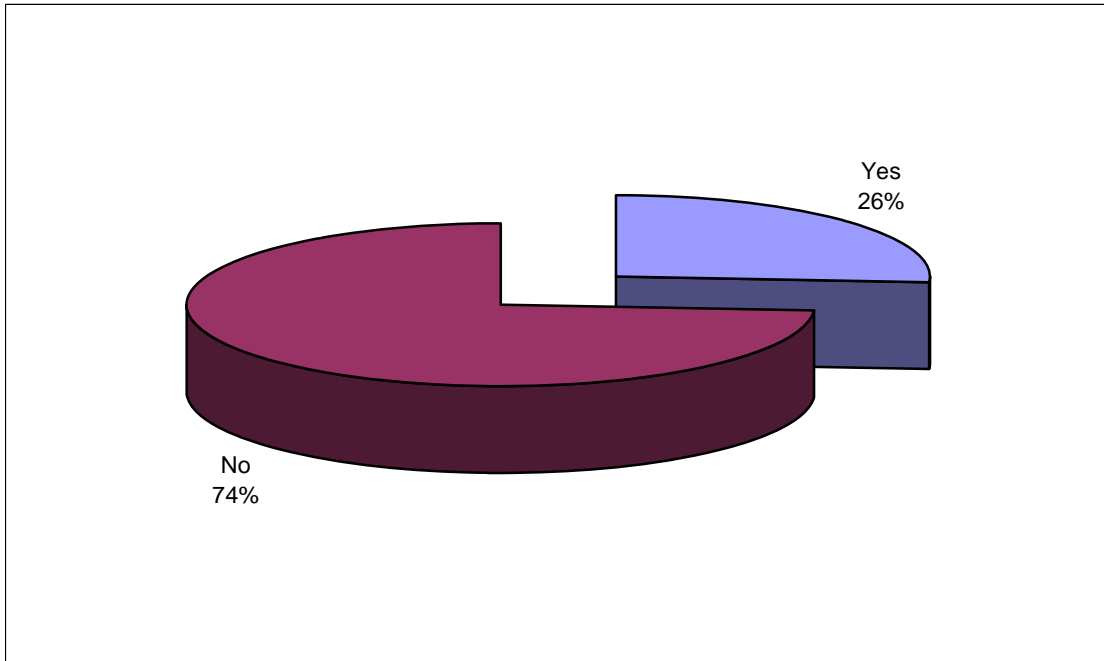
5.73   Handling of Sales

70% of the enterprises do not have separate sales staff to handle sales for the company.

Table 5.73: Does your company have sales staff or company representatives handle sales?

Yes
30%

No
70%
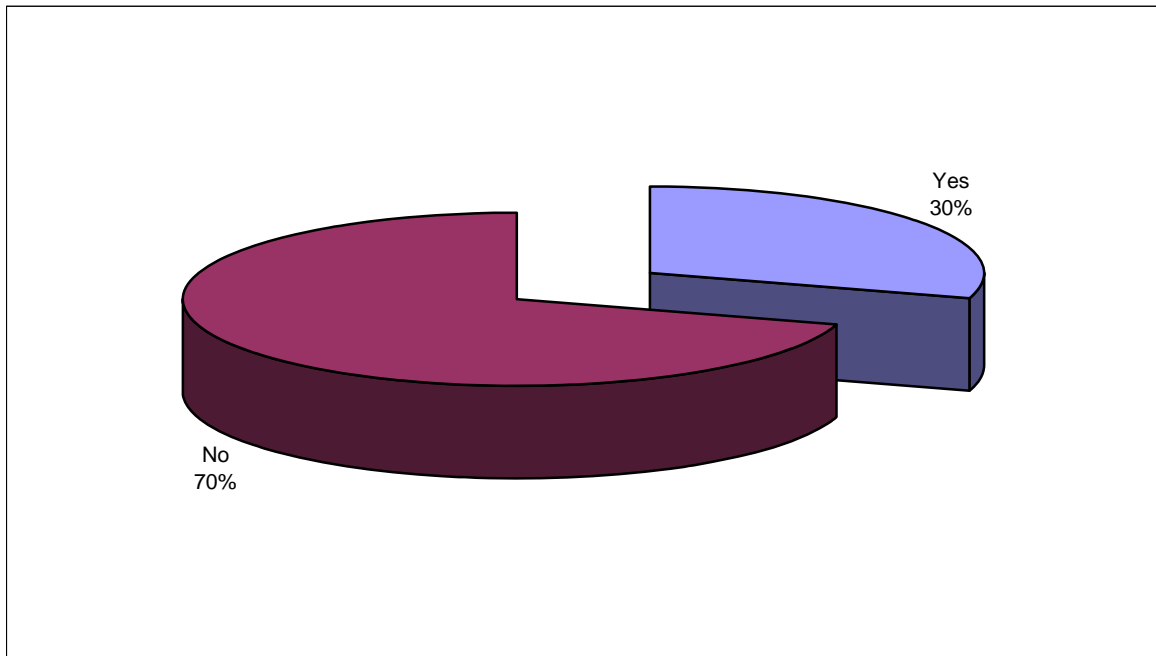
5.74 Guidelines for Marketing Activities

A whopping 86% of the companies do not have any specific guidelines laid down for marketing activities of the company.

Table 5.74: Does your company have guidelines for marketing activities?

Yes
14%

No
86%
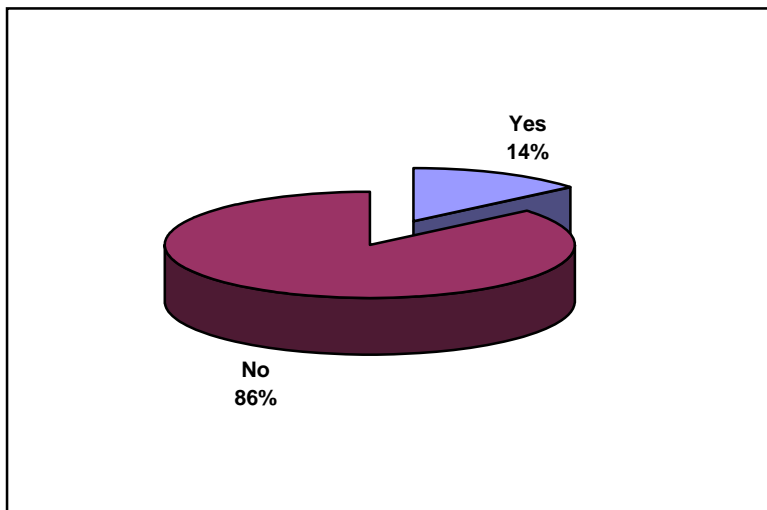
5.75   Trademarks and Patents

More than three-fourth of the companies do not have any trademarks and patents to protect the uniqueness of any of their products and technologies.

Table 5.75: Does your company have trademarks and patents?
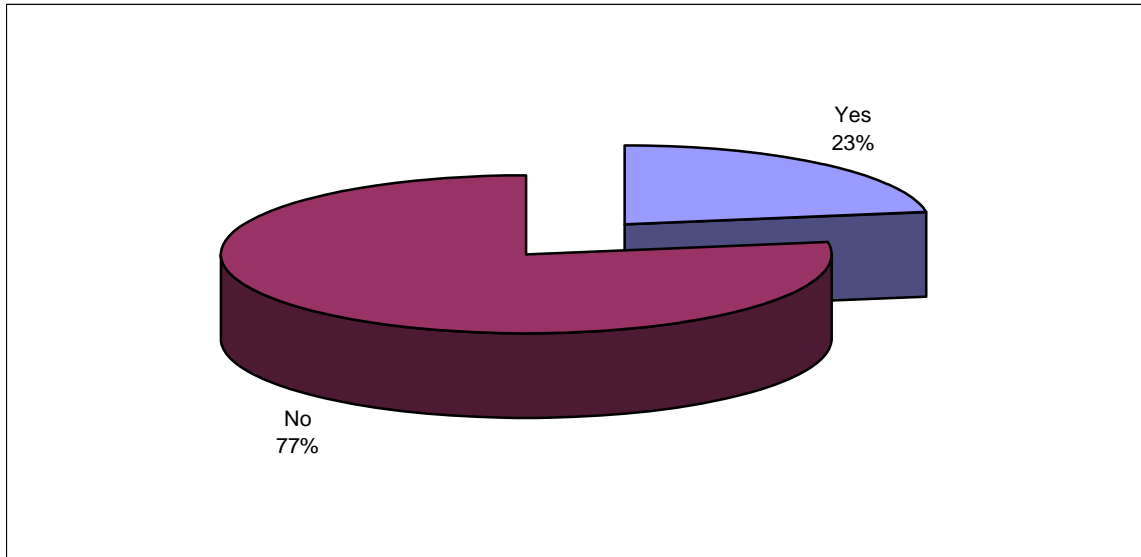
5.76   Participation in Buyer-Seller Meets, Exhibitions and Trade Fairs

A little more than two-third of the companies do not take any part in buyer-seller meets, exhibitions and trade fairs.

Table 5.76: Does your company participate in buyer-seller meets, exhibitions and trade fairs?

Yes
32%

No
68%
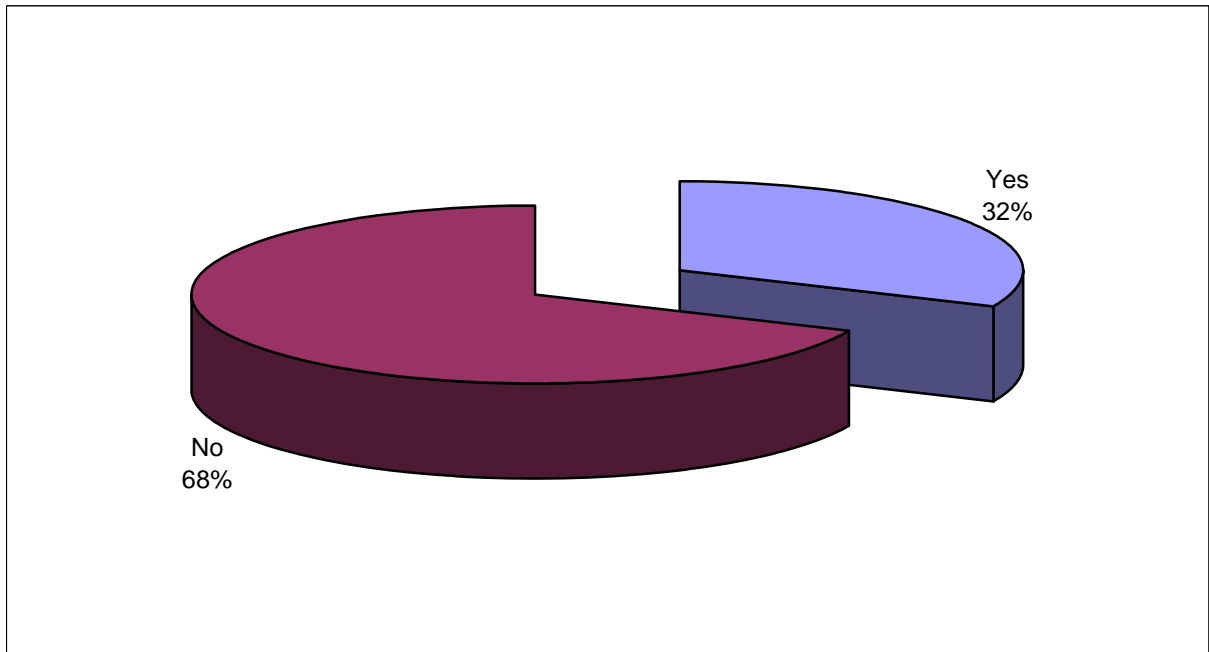
5.77 Activities having effect on Selling/Marketing of Products

The following graph depicts the opinion of the respondents regarding the effectiveness of various activities in selling and marketing of the products being manufactured by their company.

Table 5.77: Opinion on activities in context of selling products

Activity	Completely agree	Somewhat Agree	neither Agree nor Disagree	Completely Disagree	(Completely Disagree - purple)
Participating in buyer seller meet, exhibitions and trade fairs	29	23	8	21	20
Separate sales and marketing department	31	12	9	19	30
Having a company website	39	14	5	17	25
Having a separate product logo	24	15	5	16	39
Having a company logo	38	14	7	14	27
Having separate name for product and company	18	23	13	15	32
Having a company name	86	13			

Participating in buyer-seller meets, exhibitions and trade fairs: More than 50% of the respondents think that activities such as participating in buyer-seller meets, exhibitions and trade fairs is important in helping sell and market products in a better way while a little more than 40% are against this view.

Separate Sales and Marketing Department: More people are against the view that a separate marketing and sales department is helpful in selling and marketing of products. Just over 40% of the respondents feel that it is beneficial while almost disagree.

Having a company Website: A majority of respondents, more than half of them, are of the opinion that having a company website is important and that it helps in better selling and marketing of products. But more than 40% of the respondents do not feel that a website is all that important.

Having a separate product logo: Just about 40% of the respondents feel that having a separate product logo is helpful. A much larger share, 55%, does not agree with this.

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Having a company logo: More than half of the respondents feel that having a company logo is beneficial in selling of the products. But more than 40% of the respondents are also against this view.

Having a separate name for product and company: Not many respondents feel that having a separate name for the company and its product is that important in helping sell and market the products in a better way. Just over think that having a separate name is helpful. In fact, a majority, nearly half are against this view.

Having a Company Name: Almost all the respondents feel that having a company name is very essential in selling the product.

5.78   Average Annual Expenditure on Marketing/Advertising

Almost 30% of the companies do not spend any money on advertising and marketing their products. Even among those companies who do spend, maximum companies spend very little. Nearly 60% of the companies spend just about Rs. 1 lakh to Rs. 15 lakhs while just a little more than 10% spend in the range of Rs. 30 lakhs to Rs. 50 lakhs. Amongst those companies spending any amount on marketing and advertising, the average annual expenditure comes out to around Rs. 13 lakhs on marketing/ branding/ advertisements etc.

**Table 5.78: Average annual expenditure on marketing/advertising**
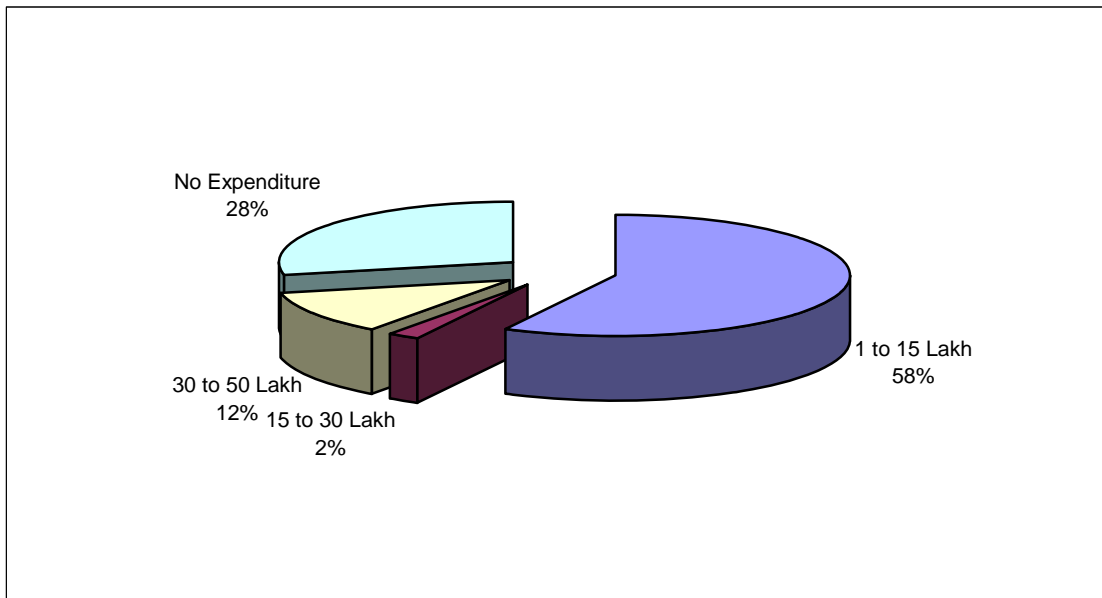
5.79 Turnover

Maximum textile enterprises surveyed fall under micro enterprises category having annual turnover in the range of Rs. 5 crores to Rs. 25 crores. Small (turnover between Rs. 25 crores to 50 crores per annum) and medium (annual turnover between Rs. 50 crores to 100 crores) enterprises are almost equal in share, 24 percent and 23 percent respectively. Among the surveyed enterprises, three fall out of this range, one having an annual turnover of Rs. 3.5 crores and two others having a turnover of Rs. 150 crores and Rs. 175 crores.

The average turnover of these enterprises is Rupees 28.26 crores during the financial year 2006-07.

Table 5.79: Turnover
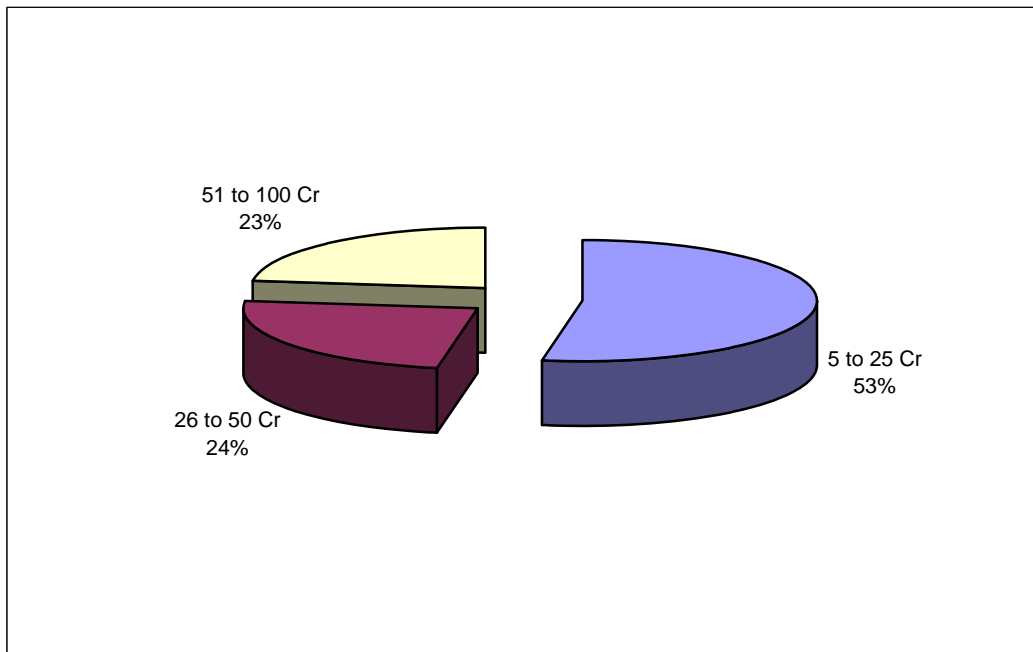
5.80   Investment in Plants and Machinery

More than two-thirds of them have invested just between Rs. 1 crore to Rs. 15 crores. Just a meager 6 percent have invested more than 50 crores. The average investment in plants and machinery by the textile SMEs comes around Rs.12.8 crores.
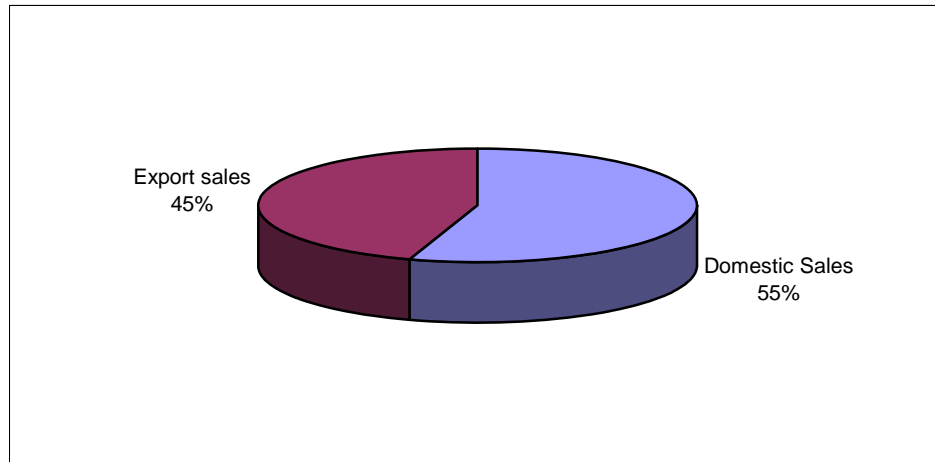
Table 5.80: Investment in Plants and Machinery
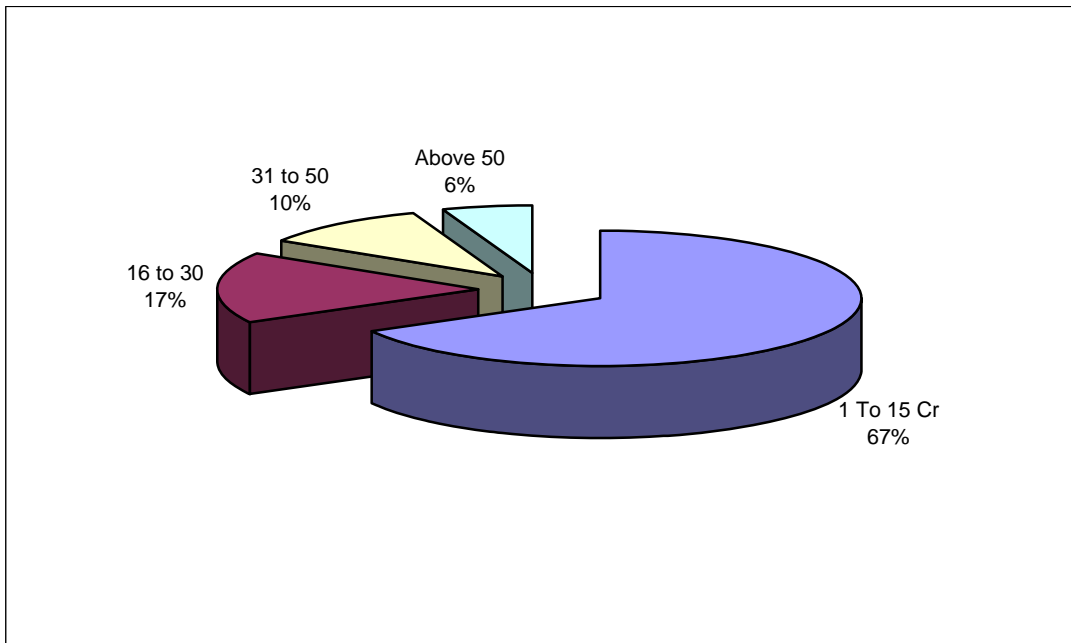
5.81   Domestic vs. Export Sales

Amongst the surveyed enterprises, 32 percent have domestic-only sales, while 44 percent have export-only sales. Out of total sales of all the surveyed enterprises, 55 percent is domestic sales while remaining 45 percent is exported.

Table 5.81: Share of Domestic & Export sales

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