Paradigms
Print ISSN 1996-2800, Online ISSN 2410-0854
2019, Vol. 13, No. 1 Page 134-142
DOI: 10.24312/1900056130120

Barriers to Branding in SMEs: An Exploration at Surgical Industry of Sialkot, Pakistan

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Cite this paper: Sandhu, M. S., & Azhar, T. M. (2019). Barriers to branding in SMEs: An exploration at surgical industry of Sialkot, Pakistan. *Paradigms, 13*(1), 134-142.

Despite the fact that SMEs have been playing a significant role, both in national and international trade, it has been a fact that most SMEs operate without product brands. This study has explored the barriers to branding as faced by SMEs using a qualitative research approach in the context of Surgical Instruments Industry of Sialkot, Pakistan. The study contributes to important factors that hinder SMEs from having own product brands in the international market.

Keywords: SMEs, Branding, Government Support, Intellectual Property, National Culture, Risk Aversion

INTRODUCTION

In the last decade of the 20th century, small and medium-sized enterprises received special attention and this is even increasing in the 21st century. SMEs have received this much attention both in the developed and developing world (Du Plessis, Indavong, & Marriott, 2015; Madanchian, Hussein, Noordin, & Taherdoost, 2015; Mustaghis-ur-Rahman & Jalees, 2015; Robu, 2013; Tavares, 2015). Policymakers now have started taking SMEs as the centerpiece of the policy-making all over the world (Lukács, 2005). This attention to SMEs seems to be justified owing to the significant role played by SMEs in different parts of the world (Savlovschi & Robu, 2011). According to an estimate, more than 90% of businesses in the developed and developing worlds fall in the category of SMEs (Kraemer-Eis, Botsari, Gvetadze, Lang, & Torfs, 2017). It is also evident that SMEs serve as a seedbed for entrepreneurship and encourage self-employment. A cursory view of statistics concerning SMEs shows that SMEs in Pakistan are contributing about 40% to the GDP (Gross Domestic Product), providing employment to more than 80% of non-agriculture labor force and have 30% share in total exports (SMEDA, 2018b). These figures at least confirm the role played by SMEs in the economy of Pakistan. It is also argued that SMEs serve as a bridge between production and consumption sector of any country by providing services as vending segment and retail players.

SMEs are not only playing a role in the domestic economy but also connect the production sectors of developed and developing worlds (Gereffi, Humphrey, & Sturgeon, 2005). It is a well-known phenomenon that all over the world products are produced by value chains, which consist of businesses of both developed and developing countries (Gereffi, 1999; Schmitz, 2005). Generally, such value chains are led by the large scale firms of first world origin and supported by the SMEs from developing countries (Nadvi, 1999; Schmitz, 2005). Gereffi (1999) argued that these value chains are of two types; producer-driven chains and consumer-driven chains. Producer driven chains are found in high tech, automobile, and electronics industries, whereas consumer-driven chains are found in garments, toys, surgical, sports goods, cutlery, and footwear sector. Producer driven chains are led by large scale manufacturing firms of first world origin, which mainly specialize in design and brand capabilities. In such type of chains, SMEs participate in the capacity of job processors, service providers, and original equipment manufacturers. In the case of consumer-driven chains lead role is played by large mega-retailers and factory manufacturers both in developing and developed worlds with strong capabilities in designing and branding. SMEs serve such chains the as equipment manufacturers and service providers. It is further added here that the pattern of organization almost remains same in both Global Value Chains (GVC) and Local Value Chains (LVC) (Sandhu & Zaheer, 2014).

Schmitz (2005) has argued that the main value in the value chain is earned by the lead firm and it is far more than what is the share of SMEs. In his opinion, this is because of the design and brand capability of lead firms that ensure them lion's share in the value chain. It is evident from the discussion above that SMEs play their role at both the downstream and upstream of the value chain. At the upstream end, their role is of supplier and at the downstream, they work as distributors of brands. It is also clear from the above description that SMEs do not have brands rather they work for brands in both types of value chains and are relatively at a disadvantaged position. It is also appropriate to note that SMEs work both for business and consumer markets.

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In our current era, we are witnessing an increasing trend of buying brands in both business and consumer markets. The brand is not only the name or symbol or logo but it is something more than this. It is, in fact, the trust one can confidently place in the product of a particular make or in a particular maker. That trust associated with a brand ensures that what is promised is being delivered. It is also worth noting here that such trust is the result of a series of credible transactions and something more than simple marketing. Logically speaking people buy brands or branded products because it reduces search cost by ensuring the expected value and these both in turn make the buying a winning situation for the buyer. Brand selling is not only a winning situation for the buyer but it also ensures success for the seller as it can earn more than what it actually delivers without causing any harm to the buyer (Kapferer, 2012; Keller, Parameswaran, & Jacob, 2011; Kotler & Armstrong, 2013).

Yin Wong and Merrilees (2005) have argued that branding or brands is mostly considered as the business of big guys and it seems to be a road less traveled by SMEs. They have also revealed that there is a bulk of literature available on brands, branding and brand management but only with reference to large scale concerns. Krake (2005) has not only confirmed the previous findings but also contributed that literature on branding in SMEs is still in its infancy and all theories in brand management are concerned with large scale concerns. Yin Wong and Merrilees (2005) have also pointed out that branding is considered too narrowly as only name, logo, and symbol are taken as brands. In their views branding is something more than this and it also includes unintentional efforts that make a firm a brand. It is worth noting that SMEs are not totally out of the field of branding as firms are becoming brands even without intentionally practicing branding. In one of the above paragraph, it was discussed that SMEs are connected with both national and international brands for a number of years. Their long term connection shows that they manage to live up to the expectations of lead firms hence become brands in generic terms. It is observed that SMEs are firm brands but they rarely have product brands in both local and international markets. Further according to Sialkot Chamber of Commerce & Industry (Industry, 2016a, 2016b, 2016d) firms in leather, sports, and surgical manufacturing industries do not have own product brands in international market despite having spent a number of decades in the business. Purpose of the current study is to explore the factors that hinder international SMEs from introducing own product brands in the international market(s).

REVIEW OF THE LITERATURE

As per SME policy, 2007 SMEs are defined on the basis of a number of employees, paid-up capital and annual sales. All those enterprises which have employees up to 250, paid-up capital up to Rs 25 million and annual sales up to Rs 250 million falls in the category of SMEs (SMEDA, 2018a). State Bank of Pakistan defines small and medium enterprises on the basis of a number of employees and annual sales. All enterprises which have employees up to 20 and annual sales up to Rs 70 million are small whereas enterprises having employees from 21 to 250 in case of manufacturing concern and from 21 to 50 in case of trading concern and annual sales above Rs 75 million but up to Rs 400 million considered of medium size (SBP, 2016). In SME Policy 2007 it has been emphasized that SMEs serving international markets need to focus on brands and branding and they will also be supported for the purpose (SMEDA, 2018a).

Kotler and Armstrong (2013) have argued that a brand is a value a consumer attributes to everything of a product. They have also declared brand as the most valuable asset of a firm and the same has been argued by Kapferer (2012). According to Keller et al. (2011) brand is a set of mental associations a customer has for a product and service and it results in value addition for that product and service. The brand is a name, term, symbol, color or combination of all used to identify and differentiate the product of one producer (Kotler & Armstrong, 2013). A name, term, symbol, design or combination when used for a product for the purpose of identification of maker or seller and differentiation from competitors at global level, it is known as a global brand (Cateora, 2007). Keller and Lehmann (2006) have discussed that the band performs a wide variety of functions from being a marker for products at a basic level to a financial asset for companies at a strategic level.

Wong and Merrilees (2005) have clearly described that SMEs far lag behind in the world of brands and branding. They have identified that this is caused by the lack of sufficient financial resources available to SMEs for investing in brand building. They further argued that SMEs are different in their brand-building capability and based on this can be divided into four categories; minimalist, progressing, embryonic and integrated. Krake (2005) presented the Funnel model which describes the factors that affect the role of brand management in SMEs. He argues that passion and commitment of entrepreneur (Gabrielsson, 2005), structure and culture of the firm, type of market, product category and competitors are the factors that influence the role of branding in SMEs. He also proposes that based on the role of management and brand recognition SME brand can be of four types; beginning & underprivileged, emerging, accepted and historic brands. Abimbola (2001) is of the view that branding in SMEs depends on the types of product and competition in the market. He also believed that branding is much relevant to creative entrepreneurial practices in SMEs and serves as a competitive advantage for the firms. Roy and Banerjee (2012) have discussed that branding is not only relevant for B to C SMEs rather it also has full relevance for B to B SMEs. In their view, the offering of generic products can harm the business whereas branding can both boost business and outclass competitors. They have proposed that criticality of product and market orientation in B to B SMEs play a central role in the brand building. Goals of business, perceived benefits, process, means of communication, dedicated resources are the factors that really affect the brand-building process in SMEs (Ojasalo, Nätti, & Olkkonen, 2008). It is also argued by the same authors that there are benefits in branding for SMEs and they should go for this.

Horan, O'Dwyer, and Tiernan (2011) have emphasized that branding in SMEs needs to be considered from management's viewpoint as in the past only customer's point of view has been taken care of. They have also found that features of the firm, the role of customer, management, staff & brand equity, budget restrictions and vision & role of the owner are important factors that affect branding in SMEs. Wong and Merrilees (2007) have shared that branding plays an important role in international marketing. They further argued that macro marketing environment in general and culture of the target country, in particular, affect the branding. Values and beliefs of entrepreneur surely affect the brand equity in SMEs (Spence & Hamzaoui Essoussi, 2010). They are also of the view that firm capabilities and image of the country of origin support and affect the branding in SMEs.Gupta, Melewar, and Bourlakis (2010) have disclosed that brand personification affects the image of the brand in the minds of reseller's who in return affects the building of the brand.

Cheng, Blankson, Wu, and Chen (2005) have criticized that there is insufficient literature available on SME international branding despite its increasing importance in the business world (Du Plessis et al., 2015; Razeghi, Roosta, Alemtabriz, & Gharache, 2014; Tavares, 2015). They have proposed a stage model of four stages all firms pass-through for becoming successful international brands. These stages are Pre-international, Lead Market Carrying Capacity, International Branding and Market Succession, and Local Climax. They have further argued that firms first introduce the brand in the local market then get attached with some international brand as OEM and finally introduce own brand in the international market. They have also cautioned that poor image of the country of origin (Cateora, 2007) and the capabilities of the firm can seriously affect the brand in the international market.

Gabrielsson and Gabrielsson (2003) have pointed out that branding strategies of born global firms, firms doing business in the international market since their birth (Rennie, 1993), have not been properly studied. Experience, global orientation, and motivation are critical qualities that affect the branding efforts of international SMEs (Gabrielsson, 2005). He also argued that there is a difference in the branding approaches of BtoB and BtoC SMEs. BtoC firms use the standardized brand in the international market whereas B to B goes for OEM to private brands to their own brands. Knight (1996) discussed that B to B SMEs generally use a push strategy to promote their brands in the international market whereas B to C SMEs rely on pull strategy (Zahra, Matherne, & Carleton, 2003). Luostarinen and Gabrielsson (2004) have identified that international SMEs are under continuous pressure to introduce own brands in international markets. Wong and Merrilees (2006) have discussed in detail that internal commitment of the firm and culture of the target country considerably affect the branding in the international market. They have also discussed that constraint of resources serves as a barrier to the branding efforts in the international market. Zerrillo and Thomas (2007) argued that where a brand originally belongs to is of considerable importance.

Yan, Chiang, and Chien (2014) have argued that strategic leadership skills of the entrepreneur along with the ability to manage change can transform a firm from OEM to OBM. They also discussed that developing country firms first enter into the international market by getting associated with MNCs as OEM and later on after accumulating resources they introduce their own brands. According to their findings, it is also the case that MNCs give tough times to those developing country firms which introduce own brands in the international market. Finally, they have suggested that developing country firms should separately manage their OEM and OBM ventures to overcome difficulties.

RESEARCH METHODOLOGY

In this study exploration was required, therefore the most suitable choice was qualitative research (Bryman & Bell, 2015; Creswell, 2013; Saunders, 2011; Sekaran & Bougie, 2016; Walliman, 2005). In-depth interviews followed by a focus group were used to get the data. These two methods are most suitable when the objective is to explore something (Bryman & Bell, 2015; Creswell, 2013; Saunders, 2011; Sekaran & Bougie, 2016; Walliman, 2005). In total five interviews were conducted followed by a focus group. Those owners of surgical export firms who were interviewed and participated in the focus group had a minimum of 10 years of experience to work in the industry as an exporter. Data collected through in-depth interviews and focus groups were then content analyzed to extract themes to be used in the next part of the study.

For in-depth studies, the interview is a method of choice (Bryman & Bell, 2015; Flanagan, 1954; Greene et al., 1989; Grummitt, 1980; Latham, Fay, & Saari, 1979; Moser & Kalton; Robson, 2011; Sekaran & Bougie, 2016).

For the study, Surgical Instruments Manufacturing Association of Pakistan (SIMAP) was first contacted through emails by sending the study briefly with the objective to have its facilitation for the purpose. Two emails at different times were sent but no response was received. Follow up telephone calls also resulted in no response. After this, the researcher personally visited the office of SIMAP to discuss the details to have the required support and facilitation, while the visiting researcher managed to have an appointment from the then Chairman of SIMAP. The Chairman in the presence of the Secretary-General of SIMAP was briefed about the research along with its potential benefits for the industry. The Chairman gave his consent to participate in and facilitate the study. On the same day, the Chairman gave the appointment for the interview.

This is pertinent to mention that permission to video record the interview was not granted, however, the interview was audio recorded as per the norms of SIMAP. Nature of the study required exploration, therefore, the interview was by designed unstructured.

Each interview was started with a briefing on the research and its purpose. The interviewee was asked to share his views on the barriers to branding, and he was exactly asked: "In your opinion why surgical firms do not have their own product brands in the international market?" In response to the question, he provided a detailed response. Interviews were conducted in Urdu as interviewees were comfortable in that medium.

After the interviews, SIMAP was requested for the arrangement of a focus group discussion. As per the request focus group discussion was scheduled in the office of the Chairman SIMAP at the city of Sialkot. In the focus group ten (10) senior entrepreneurs of the industry participated. Out of these ten participants eight had served as officials of the association in the past years. The discussion was moderated by the researcher himself while note-taking was performed by the companion of the researcher and the Secretary-General of SIMAP. The discussion was both video and audio recorded.

Participants were briefed about the objectives and significance of the study, and asked to share their views on the following question:

Why surgical instruments manufacturing and export firms do not have product brands in the international market?

The discussion was started by the Chairman of SIMAP who outlined and elaborated the factors serving as barriers to branding in the industry. After him, other participants commented one by one. Different points were also thoroughly discussed by the participants.

As discussed in the section above only the first interview was audio-recorded and the focus group was both audio and video recorded. While second, third, fourth and fifth interviews were neither audio nor video recorded as interviewees did not allow. As far as the audio recording of the first interview and focus group were concerned the SIMAP officials only allowed listening to the recording at the computer system of the SIMAP without having permission to take the copy of the recording. The only electronic recording available with the researcher was a video recording of the focus group recorded through the mobile phone of the researcher.

Detailed notes of all interviews and focus group were carefully taken by both the researcher and his companion in research diaries dedicated for the purpose. All the notes taken were typed and stored in MS Word within 48 hours of the conduct of the interviews and the focus group. The typed notes as the data of the interview were recorded keeping in view the study objectives and context of the responses. Each interview discussion was typed in the form of points noted and extracted from the responses of the interviewees and focus group participants. Interviews and focus group discussion was conducted in Urdu, as respondents were comfortable in, but noted in English.

To ensure that nothing important is missing the following measures were taken:

1. Write-ups of interviews and focus group discussion were first discussed by the researcher and the companion ensuring that whatever was noted is covered and covered as per the context.
2. In the case of the first interview and focus, group researcher listened to the audio recordings twice to ensure if the write-ups cover all the important points discussed/uttered by the interviewee and the participants.
3. Write-ups of interviews were then sent to the interviewees within seven (07) days of the conduct to verify if these contain what was said by the interviewees for verification. Each interviewee took on average seven days to respond back. For taking the response the researcher had to have a prior appointment for the meeting.
4. In case of the write up of the focus group, discussion researcher had a post focus group discussion session with the Chairman and Secretary-General of SIMAP within seven days of the conduct of the focus group. In the session print version of the write up of the focus group, the discussion was provided to both the Chairman and the Secretary-General. They were requested to read the content twice after they had read, the researcher presented the points recorded in the write-up and asked them to critically review if it was all discussed during the discussion. The write up was pointwise discussed and confirmed for its validity. After this step researcher watched the recording of the focus group discussion to further ensure the validity of the content.

As interviewees and focus group discussion was conducted in a way that interviewees and participants shared, discussed and elaborated the reasons/factors that hinder the introduction/having of brands by surgical export firms in the international market. The same way notes were taken and then write-ups prepared to highlight the reasons/factors. Gibbs (2008) argued that qualitative research is different in the respect that in which collection and analysis of the data may take place simultaneously.

After it was ensured to the possible extent that text, write-ups of interviews and focus group, contains all the possible collected data, it was arranged for the content analysis. As the purpose of the analysis of the content was to explore the reasons/factors that hinder the introduction of product brands by SMEs in the international market and also to confirm the reasons/factors as explored from the literature. Following procedure was used for the analysis of the content and construction of themes as reasons/factors:

1. In MS Word two tables were drawn each with four columns and multiple rows. Columns of the tables were as below in Table-1:

The first column was for the number, second for the name of the reason/factor/variable, third for its contributing/confirming source and fourth for the explanatory notes if required. The use of tables for qualitative data analysis is recommended by (Charmaz & Mitchell, 2001).

2. Table-1 was used for extracting themes as Reasons/Factors/Variables from the collected data while Table-1 was used to have confirmation for the Reasons/Factors/Variables explored from the literature. All columns of Table-1.1 were blank while in Table-1.2 first and second columns were filled. The first column had numbers while the second column had Reasons/Factors/Variables explored from the literature. These were total Reasons/Factors/Variables listed in different columns. Gibbs (2008) elaborates that qualitative data analysis serves both the purposes of induction and deduction, giving new explanations as well as confirming the existing. Geertz (1975; see Mason, 2002) as in (Gibbs, 2008) discuss that role of qualitative data analysis is to provide a thick description in terms of explaining what is happening. This is appropriate to mention that Table-1.2 is the example of concept-driven coding (King, 1998; Ritchie, Lewis, Nicholls, & Ormston, 2013) while Table 01 is the example of data-driven or open coding (Glaser & Strauss, 1967; Strauss, 1987; Glaser, [p. 46 ↓] 1992; Strauss & Corbin, 1997; Charmaz, 2003) and (Moustakas, 1994; Maso, 2001; Giorgi and Giorgi, 2003) as in (Gibbs, 2008).

3. Both tables were placed on MS Word Document in order.
4. MS Word Documents containing the text of the interviews and focus group discussion were opened one by one.
5. Each document was read from top to bottom covering all the data as written in points. Each point was first matched with the factors listed in Table-1.1 and placed before the matching factor in the appropriate column before the name of the document as a source. If the point had no match with the factors listed in Tabl-1.2, then the point was written in the appropriate column of the Table-1.1. The process was started from the document of Interview 01. Each point in the document was carefully analyzed to place it in the appropriate table. The process was performed for all the interviews and focus group discussion text. This is near to line by line coding as suggested by (Strauss & Corbin, 1990) in (Gibbs, 2008).
6. After the placement of text in different columns of the tables it was analyzed for its appropriateness. Text placed in Table-1.2 before different Reasons/Factors/Variables were established if it confirms/supports the factor. Most of the factors were confirmed/supported by multiple sources. However single support from at least one source was considered as a standard to retain a factor.
7. Text from different sources, the text of interviews and focus group, placed in different columns of Table 1.2 were grouped based on being related or explaining different aspects of the same category. After multiple readings and thinking, data were categorized as reasons/factors/variables. The analysis resulted in a total of eleven (11) categories referred to as reasons/factors/variables explaining why SMEs of the industry do not have product brands in the international market. The applied procedure was like constant comparison as argued by Glaser & Strauss (1967) in (Gibbs, 2008). Categories resulted are more analytical than descriptive with emphasis to be more generally understandable (Gibbs, 2008).

Data was analyzed more on the pattern of Paper-Based Technique as suggested by (Gibbs, 2008) as it allows more flexibility and creativity. Furthermore, he argued that one does not have to use Computer-Based Approaches at all as a compulsion.

Flick (2008) has emphasized on taking care regarding the quality of qualitative research because of both internal and external reasons. Gibbs (2008) has discussed triangulation, respondent validation, constant comparison, and evidence as important considerations to have quality in qualitative research. Yin (2015) has narrated transparency, methodic-ness, and adherence to evidence as fundamental steps to ensure credibility and trustworthiness in qualitative research.

The procedures described above are clearly evident that suggested measures have been taken to bring about quality in the study. For instance triangulation of researcher at the analysis stage (Denzin, 1978), respondent validation, transparency, and constant comparison is clearly evident.

Data Analysis & Discussion

Table-1.2 shows the factors/themes extracted from the study conducted through five interviews and one focus group discussion, based on Table-1.2, Figure-1.1 has been drawn whereas based.

Table-1: Factors

Sr #	Factors Name	Source
1	Risk Aversion of Firms	**Interview 01:** "High risk in branding (He shared that branding involves a lot of resources and requires time to create trust before acceptance. A new brand may fail to leave the organization in a financial crunch. To avoid these firms, avoid branding)". **Interview 02:** "In his opinion, the main factor is the **risk aversion behavior** of firms/entrepreneurs. He explained that if you have a brand then you have to take responsibility for any adverse effects of defective instruments. In case of any such case, the brand may have to pay millions of dollars or euros as damages in the international market. Sialkot firms are afraid of such damages, which are why they do not enter into branding and prefer to work as subcontractors for brands". **Focus Group:** "Expensive liability insurance of the instrument e.g. a 10$ worth instrument requires insurance of 100$". **Explanatory Note:** Analysis of the text in the source column clearly indicates two things; involvement of high risk in branding and firms' attempt to avoid such risk. The behavior of avoiding risk appears to be a potential barrier to product branding.
2	Lack of international distribution network	**Interview 01:** "Lack of distribution network in the international market which is a prerequisite for brand building". **Interview 02:** "Lack of international distribution system". **Interview 04:** "Lack of international collaborations for the purpose". **Focus Group:** "Lack of distribution network in national and international markets". **Explanatory Note:** This is obviously depicted from the text in the source column that branding requires international collaborations for distribution in the international market. This appears to be lacking hence set as a factor affecting product branding by SMEs.
3	Lack of Government Support	**Interview 01:** "Lack of support from the government for building brands (When I asked why the government should support to private ventures? He replied because branding adds value and added value can increase taxation/revenue potential for the government)". **Interview 03:** "Lack of institutions". "Issues in government policies". **Interview 04 & Interview 05:** "Lack of government support". "Lack of enabling environment for branding and innovation". "Bad governance in the country". **Focus Group:** "No proper government support". "Inactive role of Pakistan embassies to create a link between surgical firms and ultimate users in foreign markets." "Less technological support/infrastructure". **Explanatory Note:** This has overwhelmingly described by the respondents that the government and its institutions unless support branding is not possible. Analysis of the text supports the notion.
4	No linkages with End Users/ Local Health Industry/Hospitals	**Interview 02:** 'Lack of linkages with end-users such as doctors or hospital industry'. **Interview 04 & Interview 05:** "No linkages with end-users (Participants explained that surgical firms have no linkages with doctors and hospitals who actually define the demand)". **Focus Group:** "Lack of link with health industry/end users". "No access to end-user".

		Explanatory Note: Absence of linkages with end-users of instruments has been attributed as a barrier to product branding by multiple respondents as shown by the text, data, in the source column.
5	Size of the Firm	**Interview 04 & Interview 05:** "Lack of capacity, **size,** and competence required for branding in the international market" **Focus Group:** "This is basically a cottage industry and small size of firms is the main hurdle in the way of branding". **Explanatory Note:** Respondents have highlighted that the average size of a firm serves as a barrier to branding.
6	Structure of the Firm	**Interview 01:** "Organization of the industry is on the pattern of cottage industry". **Focus Group:** "**This is basically a cottage industry** and small size of firms is the main hurdle in the way of branding". **Explanatory Note:** Respondents have highlighted that the structure of a firm serves as a barrier to branding.
7	Complacency of Entrepreneur	**Interview 02:** "Unwillingness of entrepreneurs for brands. It requires huge efforts and resources for building brands". "Contentment of entrepreneur as non-brand operator". **Interview 04 & Interview 05:** "Issue of the comfort zone (It was explained that opting to go for brands demands firms to come out of the comfort zone for which they are not ready)". **Focus Group:** "Business success even without brands (Complacency)". "Less patience in entrepreneurs for brand development". **Explanatory Note:** Text in the source column shows if entrepreneurs in the industry are satisfied even without branding. Most appropriate term to represent the situation was Complacency of the Entrepreneur.
8	National Culture	**Interview 02:** "Irresponsible behavior of firms generally stemming from local culture". "Local culture promotes short-run gains hence becomes a barrier for branding". "Culture of dishonesty". "Reliance on imported raw material". **Interview 03:** "Culture of dishonesty". **Interview 04 & Interview 05:** "Lack of enabling environment for branding and innovation". **Focus Group:** "National tradition of brand acquisition rather than brand development". "Low education level in the country". "Problem in national culture as it promotes short run over long-run". "Problem in national development". "Low level of education in the country". **Explanatory Note:** All respondents except in the first interview have highlighted the negative role played by the national culture as a reason for having no brands.
9	History of Firms/Industry as Vending Sector	**Focus Group:** "History and nature of working mainly as vending firms, not being on the front line". "History as traders". **Explanatory Note:** Data shows that the history of firms as back end operators has been considered as one reason for operating without brands. This seems logical especially when such business model offers fair returns to entrepreneurs/firms.
10	Weak National Intellectual Property Infrastructures	**Interview 01:** "Lack of proper arrangement of Intellectual Property protection (He discussed that intellectual property protection is an important prerequisite of branding which is missing in Pakistan. Firms do not introduce brands because they are afraid of being copied by other firms in the industry)". **Interview 03:** "Weak Intellectual Property Rights System and the culture of illegal copying of designs". **Interview 04:** "Difficulties in IPO (Intellectual Property Rights System".) **Explanatory Note:** Issues in Intellectual Property Rights System has been discussed as one of the reasons firms do not consider to have brands, and this has been discussed by more than one respondents.
11	Inconsistent Organizational Policies	**Focus Group:** "Organizational issues such as separation of ownerships after certain times that lead to inconsistent organizational policies". **Explanatory Note:** It was an important point discussed in the focus group discussion and has been taken as one of the factors as a barrier to branding.

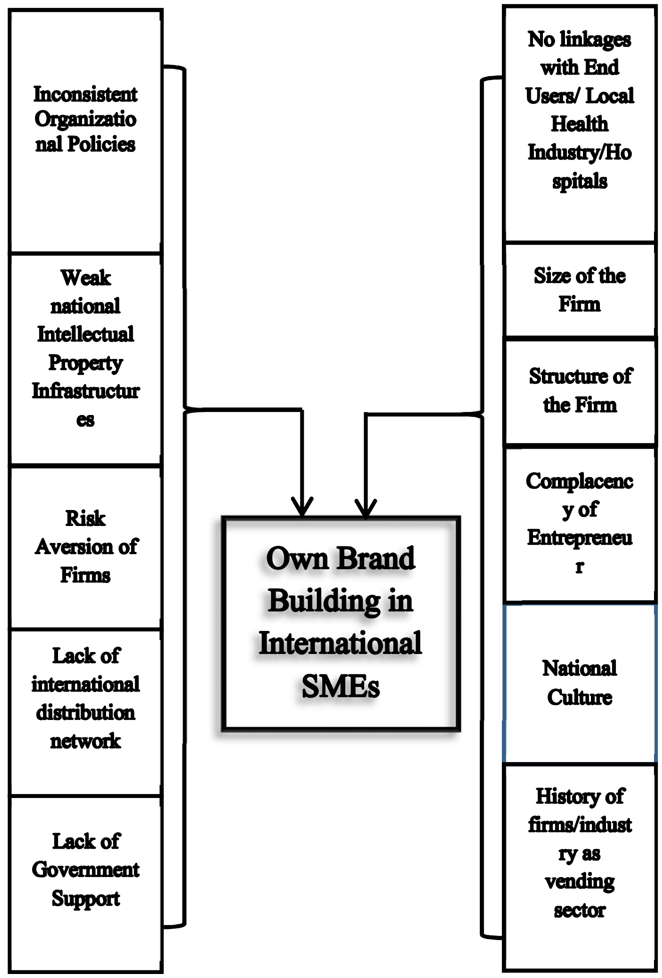

Figure 1: Framework

The study has resulted in the identification of eleven factors which are perceived to be the barriers in the way of SMEs to introduce own product brands in international markets. These factors need some discussion, let's take them one by one. No Linkages with End Users/ Local Health Industry/Hospitals, Surprisingly the surgical instruments firms have no linkages with local health industry and this gap affects the understanding of a firm of the customer requirements. Surgical firms also do not supply to the local market which has affected their ability to have any local brand. The average size of a firm in the industry is small which is a barrier for branding as far as resource base is concerned. The firm structure is also a barrier. Most of the firms are family businesses without corporate structure. After every 20 years, there is the problem of succession which leads to the division of a firm into parts. This practice makes it difficult for a firm to afford to brand.

Since most of the entrepreneurs are successful without brands, success is measured through the profitability of business and upgrading of social status. Therefore, they are complacent with their current position and are not willing to consider branding as a serious option. National culture is also a barrier to branding in different ways. National culture promotes the behavior of preferring short run to long run and imitation to innovation. Since branding requires a long-run innovation-based approach which is missing in the national culture and resultantly adversely affects the culture of a firm. History of a firm does affect its future orientation. Since most of the firms in the industry have been working as vendors for years, therefore these are unable to get rid of the historical effects of acting as backline operators.

This point, Inconsistent Organizational Policies, is linked with the point of Size & Structure of a firm. With periodic change/division of ownership, firms do not have consistent policies and this affects branding decisions. As branding is a long term procedure therefore inconsistent policies affect it adversely. Branding requires strong intellectual property protection which is a missing link in Pakistan. Intellectual property arrangements are not only missing but also very inconvenient. Branding of instruments involves two types of risks; the risk associated with the payment of damages due to any harmful effects of instruments to the patients and risk of reduction or elimination of orders from incumbent firms. The first type of risk may be covered through liability insurance which makes the cost of instrument unaffordable. Surgical firms of Sialkot do not brand their products to avoid these two types of risks.

The success of a brand depends on the availability of distribution network in importing countries which could accept and support the brand. Such networks require huge investment and skillful effort which are currently beyond the capacity of a firm. Branding of instruments requires different certifications and laboratory tests. Such certifications and tests are very expensive and beyond the capacity of a single firm, even the industry. This requires the installation of highly sophisticated labs and machines. Such facilities are only possible with government support and investment. Currently, the government has shown no interest in such type of support. These factors can be classified as internal and external, and these are interrelated too. The study has contributed to the identification of factors which now need to be studied using a larger sample of firms.

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