SYNOPSES

INFORMAL BUSINESSES AND MICRO-CREDIT—EVIDENCE FROM FINANCIAL DIARIES: A STUDY IN RAMANAGARAM, INDIA

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There is an increasing realization that despite the large share occupied by the informal sector in the financial space, very little is known about it and that this lapse is too glaring to be ignored. We use primary data from a unique set of entries in daily financial diaries maintained for a period of 11 months (September 2008 to August 2009) by seven households engaged in informal business involving peddling of vessels and other products in Ramanagaram, Karnataka, India. Combining the quantitative financial diaries data with focussed group discussions, we are able to generate thick descriptions of these informal businesses.

This paper first makes an in-depth analysis of their cash flows, in an attempt to illustrate the issues faced by the informal sector pertaining to their modes of business and their credit-needs, and pointing out some of the reasons why they cannot expand. We concentrate on one particular financial product touted as tailored for such businesses—microcredit. By dovetailing the cash inflows from business to microcredit repayments, we are able to show that a standardized microfinance loan was unsuited to their business cash flows. More importantly, we are able to show that informal businesses are complex entities

that are marked by seasonality, not only due to the characteristics of the varied nature of the businesses but also due to the circumstances of households running them. We conclude that uniform, "cookie-cutter" products pushed by micro finance institutions (MFIs), while serving the cash-flow needs of the MFIs, are at odds with the needs of their clients. If the informal sector is to be vibrant enough to support the economic lives of the poor, and if we really need a billion "bare-foot" entrepreneurs, then a better understanding of their businesses is required.

CORPORATE IDENTITY, CUSTOMER ORIENTATION, AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES: EXPLORING THE LINKAGES

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This study examines the relationship between corporate identity (CI), customer orientation (CO) and performance [market performance (MP) and financial performance (FP)]. It is anchored in the premise that CI and CO are not just the domains of large organizations but are equally important to small and medium enterprises (SMEs), if not more.
Using literature review as the point of departure, the authors develop a conceptual model comprising five hypotheses. The first hypothesis examines the dimensionality of the CI construct. The second hypothesis examines the relationship between CI and performance (MP and FP). The third hypothesis examines the relationship between CI and CO. The

fourth hypothesis examines the relationship between CO and performance (MP and FP). Finally, the fifth hypothesis examines the mediating role of CO in the CI and performance (MP and FP) relationship. We argue that the role of CI is overarching and it influences MP and FP directly and indirectly via CO. Corporate identity acts as a source of authenticity for the customers.
A mix of exploratory and descriptive research designs has been chosen. Survey as a data collection tool is employed to collect 102 sets of usable data from CEOs of SMEs; PLS-SEM has been chosen as the statistical tool for testing the hypotheses.
From the analysis of the given data set, it is inferred that CI is a second order construct

with three distinct but related dimensions; CI has significant positive impact on performance (MP and FP) and customer orientation respectively; and that customer orientation partially mediates the relationship between CI–MP and fully between CI–FP.
The main contribution of this study is to establish the applicability of CI as performance (MP and FP) enabler in SMEs. This has been done by validating the newly developed measure of CI in SMEs and examining the direct and indirect roles (via CO) of CI as MP enabler and indirect FP enabler in addition to assessing CI–CO linkage.