IIMB Management Review (2015) 27, 159–174

available at www.sciencedirect.com
ScienceDirect
journal homepage: www.elsevier.com/locate/iimb

IIMB Management Review

Corporate identity, customer orientation and performance of SMEs: Exploring the linkages

Upendra Kumar Maurya [a,*], Prahlad Mishra [b], Sandip Anand [c], Niraj Kumar [d]

[a] *School of Entrepreneurship & Extension, National Institute for Micro, Small and Medium Enterprises, Hyderabad, India*
[b] *Department of Economics and General Management, Xavier Institute of Management, Xavier University, Bhubaneswar, India*
[c] *Department of Marketing, Xavier Institute of Management, Xavier University, Bhubaneswar, India*
[d] *Department of Rural Management, Xavier Institute of Management, Xavier University, Bhubaneswar, India*

Received 28 June 2013; revised 4 June 2014; accepted 14 May 2015; available online 3 June 2015

KEYWORDS
Corporate identity;
Customer orientation;
Performance;
Small and medium enterprises;
SMEs;
Food processing sector;
B2C

Abstract This research aims to explore the impact of corporate identity (CI) on performance in B2C small and medium enterprises (SMEs) in food processing, with varying degrees of customer orientation (CO). The research is embedded in the positivistic paradigm. Based on a literature review, a conceptual model (consisting of five hypotheses) has been tested with 102 samples using PLS-SEM tool. This study establishes the mediating role of CO on the CI and performance linkage, it provides empirical evidence to CI and performance linkage, and makes an incremental contribution by extension of theory of CI and CO in the given context.

Introduction

In the era of globalization and integration of markets, both large corporations as well as small and medium enterprises (SMEs) have to face increased global competition. Organizations are thus seeking new ways to achieve competitive advantage. Marketing is one among such strategies, and it has the potential to make a useful and ongoing contribution to the performance of SMEs. It is accepted that the fundamental principles of marketing are universally applicable to large and small businesses (Reynolds, 2002; Siu & Kirby, 1998), but the empirical manifestations may vary. Researchers have been examining the role, function, relevance, and transferability of marketing principles and practices to SMEs (e.g., Berthon, Ewing and Napoli, 2008; Coviello, Brodie & Munro, 2000; Juntunen, Saraniemi, Halttu, & Tähtinen, 2010). The present work contributes to the existing body of knowledge by examining the applicability of two important marketing concepts (marketing of the organization and marketing the organization's offering) at the organization level in an integrated fashion in the context of food processing business-to-consumer (B2C) SMEs. Researchers consider making the company the ultimate product

* Corresponding author.
E-mail address: upendraximb@gmail.com (U.K. Maurya).
Peer-review under responsibility of Indian Institute of Management Bangalore.

http://dx.doi.org/10.1016/j.iimb.2015.05.001
0970-3896

(i.e. marketing the entire organization) as one of the timeless fundamentals of success (Collins & Porras, 1994), and at the core of marketing of the entire organization lies corporate branding (Murphy, 1992). Corporate branding deals with corporate identity management, and has been well documented in the literature. For example, according to van Riel and Balmer (1997) establishing desired corporate identity involves corporate branding, or the "positioning" of the whole organization. Corporate brand represents all sets of association possible for an organization. Corporate identity represents the controllable subset of associations which encompasses the organization's notion of self, aiming to express relevance, uniqueness, and distinctiveness (Brown, Dacin, Pratt, & Whetten, 2006; Simões, Dibb, & Fisk, 2005). In other words, corporate identity "provides the grit around which the pearl of a corporate brand is made" (Balmer, 2001, p.5). According to Murphy (1992), corporate identity encompasses branding and packaging of the entire organization. Therefore several researchers (Knox & Bickerton, 2003; Schmitt & Pan, 1994) have considered corporate identity (CI) as synonymous with branding at the corporate (organization) level. Studies also suggest that every organization, regardless of size, has a CI (Abimbola and Kocak, 2007; Abimbola & Vallaster, 2007; Balmer, 2012, 2010). Similar views have been expressed by other experts (e.g., He & Mukherjee, 2009; Melewar & Karaosmanoglu, 2006; Simões et al., 2005).

The role of CI in providing competitive advantage to an organization is an important area in corporate marketing literature. Most scholars view the increased interest of organizations in CI as a response from companies to differentiate themselves in the increasingly competitive environment and a recognition of its potential to help them secure many benefits in the market place (Ackerman, 1984; Balmer & Gray, 2000; Melewar & Navalekar, 2002; Simões et al., 2005); on the other hand, the lack of a strong CI leads to many disadvantages (Ackerman, 1984). Therefore, the call for increased scholarly attention in CI is warranted (van Tonder, 2006).

Marketing of an organization's offering has a significant role in organizational success, and at the core of marketing an organization's offerings lies customer orientation (CO). Strategic marketing management literature reflects upon the significance of customer orientation in gaining competitive advantage (Appiah-Adu & Singh, 1998; Piercy, Harris, & Lane, 2002). However, it may not be feasible or viable for an organization to offer everything a customer wants. Customer orientation has to be synchronized with the identity of the organization.

The two views discussed above apply at the organization level: CI with reference to the organization as the ultimate offering, and customer orientation with reference to the organization's offering, respectively. While there has been some interest in a synchronized study of the influence of these two concepts on organizational performance, with the exception of Beckman and Harris (2007), there have been few such integrated studies. Beckman and Harris (2007) contend that CO is directly influenced by CI and this has a positive impact on firm performance. However, their contention is based upon a single case study, that of the well known and established organization, Apple Inc. The interaction between CI and CO has significant strategic importance, and other researchers such as He and Mukherjee (2009) have called for further investigation to assess the impact of CI on CO.

The gaps pointed out by He and Mukherjee (2009) and Beckman and Harris (2007) have served as the springboard for the current research. Further, the literature review reveals lack of empirical support for CI and performance linkage (Cornelissen & Elving, 2003; Dacin & Brown, 2002; Melewar & Karasmongolu, 2006; van Tonder, 2006; van Tonder & Lessing, 2003). Empirical studies on corporate identity and customer orientation as performance enabler are rare among large organizations (Melewar, Saunders, & Balmer, 2001; van Tonder, 2006) and more so in the context of SMEs.

A review of SME literature suggests that SMEs vary significantly according to their growth mode and strategies. Pasanen (2003) empirically established three distinct types of SMEs, namely (1) stable independent survivors; (2) innovators with continuous growth; and (3) networkers with leapwise growth; he articulated and classified the factors of success affecting the performance of all three categories of firms into most important, fairly important and least important.

According to Pasanenn (2003) the "most important" factors of success were good knowledge of customers and their needs, ability to find quick solutions for changing customer needs, customer feedback, long-term customer relations, good reputation of the firm, clear-cut identity of the firm, good financial base and adequate cash resources, continuity of personnel, quality of raw materials and reliable suppliers, cooperative personnel, fast and reliable delivery, continuity of key persons, good inter-personal relations with customers and suppliers, simple and flexible organization, high-quality products, quality of management, availability of skilled staff, good marketing skills, environmental scanning, and anticipation of new business opportunities. The "fairly important" success factors were personnel training, strong inter-dependency with customers, simple and low-cost production technique, small number of owners, and difficult-to-imitate product. The "least important" success factors were good terms of payment, weak competition, and external owners.

The independent variables selected for investigation in our study are from among the "most important" factors of success. For example, the CO concept encompasses issues such as good knowledge of customers and their needs, ability to find quick solutions for changing customer needs, customer feedback, and long-term customer relations. The CI component refers to the issue of identity of the firm/organization and corporate identity management lies at the heart of the concept of the reputation of the organization.

In view of the above, the present work examines the role CI and CO as enablers of performance (market performance and financial performance) in SMEs. The study also examines the impact of customer orientation on the performance of SMEs. By assessing the direct and indirect effects of CI of SMEs, this study aims to reveal the importance of the synergy between CI and CO for better performance.

The paper has been divided into five sections. The first section presents the conceptualization/definitions of various constructs. The next section presents a conceptual model integrating CI, CO, and performance; and the hypotheses. In the third section, the methodology used has been analysed, followed by the results in the fourth section. The paper concludes with the discussion about implications to theory and practice along with the limitations and future research directions in the fifth section.

Definitions and model development

This section discusses the conceptualization of the constructs corporate identity, corporate brand and related concepts, and customer orientation, and their definitions, followed by a model and development of hypotheses.

Corporate identity

The concept of identity has very broad and deep intellectual roots (Balmer, 2008). It applies at various levels such as the individual group level, the nation, and the organization. In the literature corporate identity is frequently connected with corporate brand, personality, image, reputation, organization's identity and organizational identity (Brown et al., 2006; Simoes et al., 2005). Though these concepts are interlinked, they are distinct and clearly delineated in the contemporary literature.

Corporate brand and corporate identity

According to Knox and Bickerton (2003) development of brand thinking (from brand to corporate brand) can be traced from two perspectives, a marketing (customer market) perspective and an organization studies perspective. These approaches see corporate brand from their differing starting points – a "top down" organizational perspective versus a "bottom up" customer market perspective. However, of late a congruence of thinking and consensus in these two perspectives has emerged. When viewed from the customer market perspective, brands start traditionally from external orientation, i.e. the way a product is developed for a specific segment of customer, positioned, and communicated. Development of brand identity starts from identification of the right customer segment needs and appropriate positioning of the brand; in other words, external orientation being internalized. (Selection of the right segment and positioning both are done based upon assessment of strength and weakness of the organization, that is, the broad external environment). However, a more holistic approach towards branding (Simões et al., 2005), has considered it an integrated business process which is embedded throughout the organization. This approach suggests that branding extends beyond the product to the entire organization; it no longer remains just externally focussed. Researchers also suggest that the branding process should occur from the outset of the production process to the marketing of the final offering (Rubinstein, 1996; Tilley, 1999). According to Simões et al. (2005), the brand concept can be transposed to all layers of branding (e.g., corporate, family, or product level), as they are hierarchical, and according to Keller (2003) the corporate brand represents the highest level in the hierarchy.

When considered from the organizational perspective, brands start from internal orientation, i.e. the employees are the first customers. If an organization wants to develop its brand (company as brand) it should start from inside. In this case an organization starts with the assessment of its strengths and weakness viz. broad environment (understanding "who are we as an organization"), and develops a road map ("where do we want to go" i.e. mission) so as to develop a guiding tool for decision making (i.e. values). This process starts from inside the organization but keeps the external context in mind. In other words, internal orientation is being externalized. The internal and external orientations discussed above are not mutually exclusive but go hand in hand as internal orientation has to be externalized and external orientation has to be internalized; the two approaches complement each other in developing a strong corporate brand.

Corporate brand from the marketing perspective has peripheral elements (e.g., visuals) and corporate brand from the organizational approach addresses the central elements (culture, mission, and values) (He & Balmer, 2007). When integrated, these two perspectives represent the essence of corporate brand. The peripheral aspects are more tactical in nature and are subject to immediate change, whereas the central aspects are strategic in nature and have a long term horizon (He & Balmer, 2007). According to Simões et al. (2005, p.156) "The linkages between corporate identity and corporate brand are revealed when the branding concept is applied at the corporate level". It is well documented in the literature that corporate brand represents the expression and image of an organization's corporate identity (Abratt & Kleyn, 2012). According to van Riel and Balmer (1997), establishing desired corporate identity involves corporate branding, or the "positioning" of the whole organization. Schmitt and Pan (1994) argued that corporate identity may be synonymous with branding at the corporate (organization) level (also see Knox & Bickerton, 2003). To echo Murphy (1992), corporate identity encompasses branding and packaging of the entire organization. Specifically, the manageable components of corporate identity lie at the heart of corporate brand.

The development of the brand (product brand) concept in marketing owes to customer orientation. Literature reveals that the brand concept was gradually applied at various levels; when applied at the corporate level, corporate identity comes into existence. However, when we talk about identity at the corporate level, the orientation of the organization is not limited to the customer alone but it extends to all key stakeholders. When the corporate identity is communicated to the key stakeholders and it develops the power to influence customers, competitors, and channel partners (key stakeholders), it truly becomes a corporate brand. Therefore, the authors submit that corporate identity influences customer orientation.

Corporate identity and other related concepts

Corporate personality can be seen as the sum total of the organization's characteristics from which its identity is generated (Bernstein, 1984; Markwick & Fill, 1997; Melewar, 2003; Zinkhan, Ganesh, Jaju, & Hayes, 2001). It is the key determinant of an organization's corporate identity (van Riel & Balmer, 1997). Along similar lines Zinkhan et al. (2001) define CI as "the ways an organization chooses to identify itself to all its publics" (p., 154); according to Johnson and Zinkhan (1990), identity is formed from the subset of personality traits that the organization wants to emphasize to its publics. While identity represents the internal perspective, ". . . image . . . is the perception of the company by these publics" (Margulies, 1977, p.66). "Publics" refers to the community, customers, employees, the press, present and potential stockholders, security analysts, and investment bankers. Corporate identity reflects the ideal self-image that an organization projects to its stakeholders; it represents the aspired image (Zinkhan et al., 2001). Corporate image refers to the overall impression that an audience has of an organization (Johnson & Zinkhan, 1990; Keller, 2002). According to Hawn (1998), identity is the expression of what the firm is; image is how the firm is perceived. Essentially, corporate identity is the way an organization perceives itself and wants to be seen by its stakeholders, while corporate image deals with the actual evaluation of the aspired and communicated identity by external stakeholders. The ideal situation is when the gap between the two is at a minimum, i.e. when corporate image is identical to corporate identity.

Numerous studies deal with approaches to bridging the identity-image gap (Alessandri, 1999; Christensen & Askegaard, 2001; Hatch & Schultz, 1997; Stuart, 1999). According to Allesandri (2001) theoretical model on the way corporate identity works, corporate identity has the organization's mission at the core which affects identity; identity affects image, and image builds the organization's reputation over time in a given context. The terms image and reputation are often used interchangeably, though researchers have attempted to differentiate them recently. However, the majority of researchers agree that corporate reputation and corporate image are interrelated. Reputation is defined as the overall image developed as the stakeholders receive additional information over time about the organization (Ind, 1997). Reputation has greater stability than image (Fombrun, 1996). The steady accumulation of overall image contributes to the development of corporate reputation (Gioia, Schultz, & Corley, 2000). According to Weiss, Anderson and MacInnis (1999) "an image reflects a set of associations linked to a brand or company name that summarizes a brand or an organization's identity" and that "reputation. . . reflects an overall judgement regarding the extent to which an organization is held in highe steem or regard, not the specific identity it has" (p.75). The organization's identity refers to the defining characteristics of an organization as perceived by the beholders, i.e. it refers to the collectively perceived organizational characteristics. On the other hand organizational identity refers to salient social identity, i.e. how the individual employee within an organization associates himself/herself.

In the foregoing account an attempt has been made to differentiate the concept of corporate identity from other related concepts. It is also observed that the majority of contemporary contributions on identity in the organizational setting address two forms of identity, specifically corporate identity and organizational identity (van Tonder, 2006). The concept of corporate identity has been studied from different perspectives resulting in a variety of interpretations and definitions. Literature suggests that it has been studied from (1) the graphic design paradigm, which equates CI with graphic design (symbolic representation); (2) the marketing perspective, which equates CI with corporate brand and has a predominantly external focus; (3) the organizational studies perspective, which equates CI with an organization's identity (collective identity of the organization's employees) and organizational identity (how individuals associate themselves with the organization) and has a predominantly internal focus; and (4) the multidisciplinary perspective. The diversity of perspectives on CI has led to a variety of definitions.[1] However, consensus is now emerging among researchers and scholars that CI should be approached from a multidisciplinary perspective (Balmer, 2001; Balmer & Wilson, 1998; Bick, Jacobson, & Abratt, 2003; van Riel and Balmer, 1997). The multidisciplinary perspective represents the rightful balance of graphic design, marketing perspective (which has predominantly external orientation) and organizational study perspective [which has pre-dominantly internal orientation (He & Balmer, 2007)]. These perspectives are predicated on the implicit assumptions of the nature of identity. The theoretical notion of CI is distinctly deterministic, as identity (of an organization) is considered to be most central, enduring, and distinctive (Albert & Whetten, 1985; Gray & Balmer, 1998; Simões. et al., 2005). Though this perspective can be questioned, for a cross-sectional study, assumption of organization's identity to be central, enduring, and distinctive may hold true (Ravasi & Schultz, 2006) as there is little evidence of radical change of identity.

The literature reveals that while there have been many attempts to conceptualize the concept of corporate identity there have been very few attempts to operationalize them, apart from Witt and Rode (2005), Simões et al. (2005) and Maurya et al. (2013). Witt and Rode's (2005) work is focussed on designing the corporate identity of a new venture. They consider four dimensions of corporate identity, namely corporate culture, corporate behaviour, corporate communication, and corporate design. Witt and Rode (2005) focus on SMEs at the start-up stage in a developed country; their attempt is thus to assess the intended corporate identity rather than the actual corporate identity. Since the sample SMEs (B2C food processing sector) of the present study were at different stages of the life-cycle (early, growth, maturity, and decline) in a developing country, we deemed it necessary to look for a more suitable operationalization.

Simões et al. (2005) also operationalized the concept of corporate identity but their focus on large organizations from the service sector in a developed country did not match the context of our study. Moreover, we perceived a mismatch of scale as large organizations vary when compared to SMEs in terms of resource base, adaptability, decision making, planning and implementation. Maurya, Mishra, Anand, and Kumar (2013) operationalized CI in the context of SMEs in India. Their scale incorporated the salient features of SMEs (for example, decision making by the owner or small team of owners, less complex communication structure, etc) in its items and exhibited adequate psychometric properties. Therefore it was decided to use Maurya et al. (2013)'s conceptualization of CI and scale in this study. Maurya et al. (2013) conceptualize CI "as the symbolic or visual (V), communication (C) and behavioural self expression (B) of the organization's notion of self". "Notion of self" refers to the distinct characteristics of the organization, which are supposed to be central and enduring. Their conceptualization adapts the central and enduring traits of CI. They have emphasized the underlying

[1] A tabulation of the various perspectives on and definitions of CI including a chronological representation of the research studies is available on request.

controllable triggers with reference to symbolism, behaviour, and communication viewed from the internal perspective.

Symbolism refers to the controllable visual mix embedded in the organization's philosophy, used by an organization to identify itself to the stakeholders. The behavioural expression revolves around issues pertaining to culture at espoused value level which governs the organization's activities, actions, and mannerisms reflected in either the formal or the spontaneous act or conduct (behaviour). The focus is on the controllable component of behaviour. Communication can be defined as "the aggregate of messages from both official and informal sources through a variety of media by which an organization conveys its identity to its multiple audiences or stakeholders" (Gray & Balmer, 1998, p.762). This study focusses on controllable components emanating from an organization, such as content of communication, medium of communication, and consistency of communication.

Customer orientation

Research on customer orientation has been conducted at two levels of analysis— the individual level (e.g., Brown, Boya, Humphreys, & Widing, 1993; Hoffman & Ingram, 1991) and the organizational level (e.g., Homburg & Pflesser, 2000; Kennedy, Goolsby, & Arnould, 2003; Kohli & Jaworski, 1990; Rindfleisch & Moorman, 2003). Research at the individual level relates to the interpersonal contact between employees and customers. A key aspect of customer orientation at the individual level relates to the "ability of the sales people to help their customers and the quality of the customer–salesperson relationship" (Saxe & Weitz, 1982, p.343). In contrast, research at the organizational level has focussed on the concept of "customer orientation" which is also contrasted with market orientation, and the market-driven company (Day, 1994; Felton, 1959; Hunt & Morgan, 1996; Kotler, 1977; McKitterick, 1957; Webster, 1992), that fundamentally establishes the tenets of organizational behaviour with respect to a firm's customers and competitors. There are numerous definitions of customer orientation (see Table 1). Irrespective of the variations in the definitions they all revolve around the customer. The underlying assumption of the definitions in Table 1 (with the exception of Deshpande, Farley, & Webster, 1993; Narver & Slater, 1990) is that an organization has multiple departments, information gathering is formally organized, and information is disseminated across the departments; they are embedded in the information system approach. The definitions by Narver and Slater (1990) and Deshpande et al. (1993) are embedded in the cultural perspective and describe customer orientation as a belief. Deshpande et al. (1993) go further to include all the stakeholders, keeping in mind the long term profit of the enterprise.

The cultural perspective would appear to be more relevant to SMEs, which have a variety of ownership forms ranging over proprietorship, partnership, and the private limited form; they vary in terms of owner/manager involvement as well. Though not all SMEs have well established formal systems to gather and disseminate data, they are usually closer to their customers because of their spatial proximity and are able to fulfil the requirements of their customers quickly and more flexibly, transfer customer intelligence quickly and with less deterioration, and they can implement marketing plans speedily since they have fewer organizational and bureaucratic layers and are less formal in nature (Keskin, 2006). Therefore, in this study, the conceptualization of CO embedded in the culture perspective was adapted from Deshpande et al. (1993).

Performance

Performance measurement has been defined as "the process of quantifying action, where measurement is the process of quantification and action leads to performance" (Neely, Gregory, & Platts, 1995). From the perspective of marketing, organizations achieve their goals, i.e. they perform, by satisfying their customers with greater efficiency and effectiveness than their competitors (Kotler, 1984). In the discipline of marketing, performance has been commonly explained by two dimensions (Ruekert, Walker & Roering, 1985), namely efficiency and effectiveness. These dimensions indicate that there can be internal and external reasons for pursuing specific courses of action (Neely et al., 1995). The internal reason could be linked to achieving efficiency, and the external with effectiveness. Here, effectiveness refers to the extent to which customer requirements are met, while efficiency is a measure of how economically the firm's resources are

Table 1 Select definitions of customer orientation.

Shapiro (1988)	Customer orientation represents the dissemination of information about customers throughout an organization, formulation of strategies and tactics to satisfy market needs inter-functionally and achievement of a sense of company-wide commitment to these plans.
Kohli and Jaworski (1990)	Suggest that customer orientation represents the degree to which customer information is both collected and used by the business unit.
Narver and Slater (1990)	"The organizational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers" (p.21)
Ruekert (1992)	The "degree to which the organization obtains and uses information from customers, develops a strategy which will meet customer needs, and implements that strategy by being responsive to customers' needs and wants" (p.228)
Deshpande et al. (1993)	"The set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, employees, in order to develop a long-term profitable enterprise" (p., 27)

utilized when providing a given level of customer satisfaction. Effectiveness refers to market performance (MP). Efficiency is the outcome of a business's programme in relation to the resources employed in their implementation. Efficiency considers the relationship between organizational outputs and the inputs required to reach the organizational outputs (Walker & Ruekert, 1987). Efficiency refers to the financial performance (FP) of the organization; here it has been defined in terms of profitability and operationalized as return on sales (ROS). In the subsequent sections performance is expressed along two dimensions i.e. market performance and financial performance.

Theoretical model and hypotheses

Our model is based on the integration of two concepts namely corporate identity and customer orientation as enabler of performance. Both the concepts are applicable in the organizational setting. For example, as discussed earlier, CI refers to the marketing of the entire organization whereas CO refers to the marketing of organization's offering. The concepts are complementary as CI has an inside-out approach and CO has the outside-in approach. Such an integration is possible as top management is the driver in implementing both and the priority stakeholder groups in both cases remain the customer, though both of them go beyond the customer to all stakeholders. In the case of SMEs, the founders' values and beliefs and the perspectives of the owner/top management become critical owing to the nature of SMEs (Krake, 2005; Spence & Essoussi, 2010).

The conceptual model in Fig. 1 links CI, CO, and performance (market performance and financial performance). Each of the constructs of the conceptual model is analysed to determine the strength of its relationships with the other constructs and the dependent variable, performance.

Corporate identity dimensionality

Corporate identity is considered to be a multidimensional construct. Several researchers have proposed numerous dimensions of CI. Melewar (2003) has identified seven dimensions viz; corporate design, communication, culture, behaviour, structure, industry identity, and strategy. According to Witt and Rode (2005), most of the studies have used four dimensions viz, corporate design, culture, behaviour, and communication. Another mix was proposed by Balmer and Soenen (1999) consisting of three elements viz, mind, soul, and voice. Melewar and Jenkins (2002) suggested a mix consisting of behaviour, corporate culture, and market conditions. However, the CI mix components (consisting of strategy, structure, communication, and culture) and CI management mix (the elements that need to be considered when managing an identity) were differentiated by Balmer (2001). He brought in three additional components, namely reputations, environment, and stakeholders into the existing CI mix. The CI mix proposed by Birkigt and Stadler (1986) consists of three elements, namely behaviour, communications, and symbolism, and has been the most influential and widely accepted model among researchers (Otubanjo & T.C. Melewar, 2007; van Riel & Balmer, 1997; Simões. et al., 2005). Based upon the adapted conceptualization of CI and the above discussion, it is hypothesized that CI is a second order construct with three distinct elements – behaviour, communication, and symbolism.

H1: Corporate identity is a second order construct with three distinct dimensions.

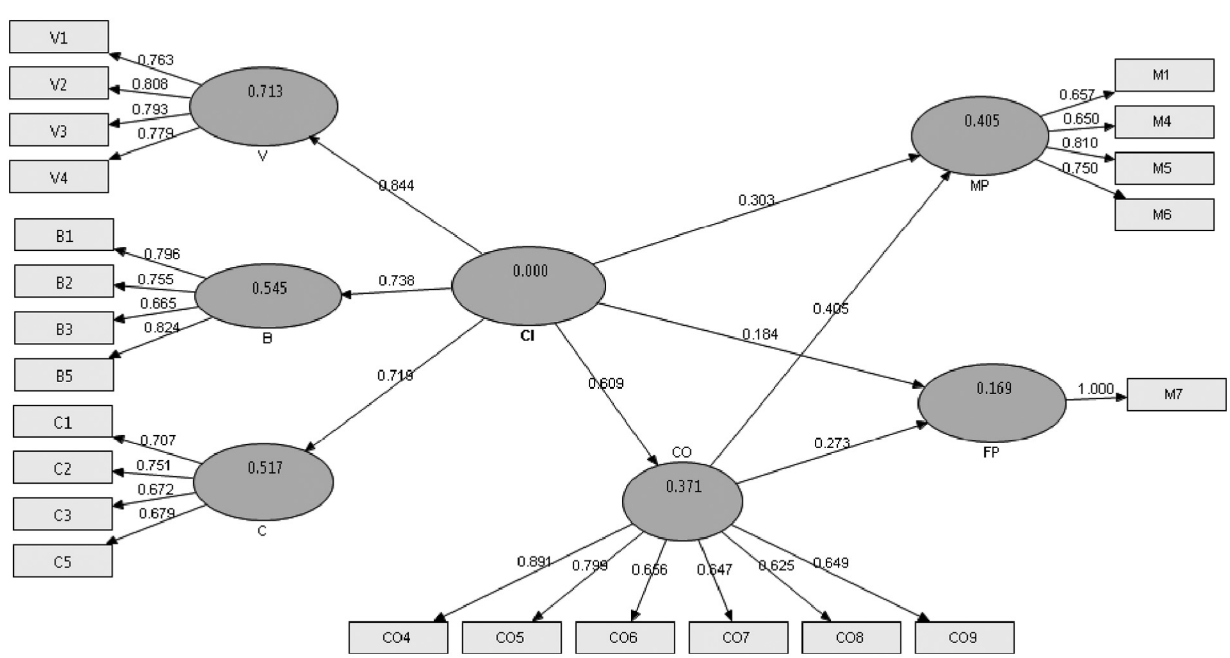

Figure 1 Partial least square (PLS) – structural equation modelling (SEM) analysis results for proposed research model V – Visual or Symbolic self expression; C – Communication; B – Behavioural self expression; CI – Corporate identity; CO – Customer orientation; MP – Market performance; FP – Financial performance.

Corporate identity and performance link

Corporate identity has the potential to enable organizations to secure numerous benefits in the market place (Ackerman, 1984; Balmer & Gray, 2000; Melewar & Navalekar, 2002; Simões et al., 2005) such as identification with the stakeholders, favourable image and reputation, improved sales, investment, and so on. Additionally, lack of appropriate corporate identity leads to many disadvantages (Ackerman, 1984). For example, it negatively influences the organization's sales and earnings, employee morale, ability to attract talented people, expansion capital and general performance on stock market (Chajet, 1989). In other words, corporate identity leads to competitive advantage. Competitive advantage is reflected in superior performance outcomes (Day & Wensley, 1988), and performance is expressed in terms of market performance and financial performance. Based on the above, we hypothesize that.

H2a: Corporate identity relates positively to market performance.
H2b: Corporate identity relates positively to financial performance.

Corporate identity and customer orientation link

There have been few studies examining the influence of corporate identity on customer orientation. To the best of the authors' knowledge only the study by Beckman and Harris (2007) has attempted to assess this relationship through a qualitative research. There is a call for further research to investigate the influence of CI on CO by He and Mukherjee (2009).

Beckman and Harris (2007) argue that strong CO essentially works at developing strong relationships with customers. While this is a means to achieving success and profits (Reinartz & Kumar, 2000), it is successful only if customer(s) perceive value in the relationship. Research has indicated that customers reciprocate, and build relationships with organizations and brands (Fournier, 1998). However, in the process of forming a relationship with an organization, customers go through an identification process, i.e. they identify with the organization or brand (e.g., Algesheimer, Dholakia, & Herrmann, 2005; Bhattacharya & Sen, 2003). Though CO establishes a focus on customers, there are different paths and directions that customer focus can take. The identity of a firm gives it a long-term focus and direction (Melewar, 2003) that contributes to its success; that focus and direction could guide and influence the CO of the firm. Therefore, we hypothesize.

H3: Corporate identity has a positive relationship with customer orientation.

It can be argued that customer orientation may also influence corporate identity. However, to the best of the authors' knowledge, there are no studies examining the relationship or calling for such examination.

As evident from the literature, and as discussed earlier, all organizations, irrespective of their size, have a CI. The CI of SMEs is formed irrespective of whether they manage it or not, and it involves the notion of self expression at every touch point with the stakeholders, predominantly in the form of visual self expression, behavioural self expression and communication. The compulsions of globalization and increased competition have led organizations to focus more on the externalities, adapt their offerings according to the needs of customers and become more customer oriented. However, in the attempt to become more customer oriented, organizations may overlook their corporate identity i.e. go beyond their "true notion of self" inherent in their capabilities and traditions, and the two concepts can come into conflict with each other. Going beyond "true notion of self" may be helpful if the organization has really gained the capabilities to manage the place it holds in the minds and hearts of the customers. In such cases the organization is actually shifting the boundaries of "notion of self" i.e. corporate identity. However, in practice, this change in notion is very gradual unless pursued actively and deliberately with lot of investment, which is rare in SMEs. Therefore, this study has restricted itself to the influence of corporate identity on customer orientation.

Customer orientation and performance link

The impact of CO on firm performance has been investigated for over two decades (Deshpande et al., 1993) and for over a decade in SME literature (for example, Appiah-Adu & Singh, 1998). However, in the context of developing countries there have been a smaller number of studies and very few of them are SME specific. The authors argue that in order to generalize the findings of the studies on the impact of CO on firm performance across all SMEs, further empirical investigation is needed in country specific settings as well as sector specific settings (Appaih-Adu & Singh, 1998; Piercy et al., 2002) (Sector specific studies help in overcoming the problem of compounding effects.) Customer orientation has been considered synonymous with market orientation by Deshpande et al. (1993). Keskin (2006) cited various studies (e.g., Horng & Chen, 1998; Meziou, 1991; Pelham & Wilson, 1996; Peterson, 1989)which especially addressed the direct influence of market orientation on an organization's performance and competitive advantage in the context of SMEs (The performance result of market orientation (also referred to as customer orientation) in SMEs has been mixed (Raju, Lonial, & Crum, 2011); therefore more study is needed in this area. As SMEs remain in close proximity to their customers (Salavou, Baltas, & Lioukas, 2004), the interaction between them is also more, which would mean better understanding of the customer needs and SMEs would respond accordingly. Better sensing of needs and responding would lead to superior performance. Therefore, it can be argued that:

H4a: Customer orientation relates positively to market performance.
H4b: Customer orientation relates positively to financial performance.

Corporate identity, customer orientation, and performance linkage

The key idea in customer orientation is to make the customer the focus of the entire organization and to satisfy the wants and needs of the target market. However, what is demanded by customers at any given moment may not always be feasible and viable for an organization, especially in the present changing scenario. An organization which constantly shifts its position or adopts the most popular position may not hold credibility for long and this could reflect a lack of integrity. Therefore, organizations may have to draw upon their identity domain [the cognitively privileged competitive arena that holds highest value for a focal organization's top management (Livengood & Reger, 2010)] and align their CO accordingly. According to Beckham and Harris (2007, p.1), "Customer orientation is directly influenced by corporate identity and when an organization's identity influences its customer orientation, organization performance will be positively impacted". The organization's identity, as seen by the customer, is a key consideration as the customer's identity and experience are played out through the identification with the organization as discussed in the section on CI and CO. This suggests that while CO is important, it will be most effective if it works through an identification process. Therefore, we hypothesise as.

H5a: Customer orientation mediates the relationship between corporate identity and market performance.
H5b: Customer orientation mediates the relationship between corporate identity and financial performance.

Control variables

We intend to control extraneous influences that could independently affect results. The control variables used are age of the firm, size of the firm, type of ownership, and environmental factors.

Method and analysis

The initial exploratory phase of research comprised free-flowing in-depth discussion with five CEOs of small and medium businesses in food processing. The focus of this discussion was the relevance and applicability of the theory of CI and CO. The discussion refined our understanding of the issue and validated or caused us to reject some previous notions.

A questionnaire was prepared and a pilot study was conducted with 20 SMEs after which the questionnaire was refined. (See Appendix I).

Sample and data collection process

There are approximately 30 million micro, small, and medium enterprises (MSME) units in India (Kiran, Majumdar, & Kishore, 2012); however the population for this study consisted only of SMEs which met the following selection criteria: (1) The unit has an investment of not less than Rs 1 million and not more than Rs 100 million in plant and machinery (MSMED Act, 2006) or an upper cut-off of Rs 1000 million turnover (D&B India, 2006). (2) The organization is engaged in manufacturing and marketing of some kind of branded products. (3)The unit has legal existence either as proprietary, partnership, private limited or limited organization. The sample frame for our study has been obtained from the directory of the National Agriculture and Food Analysis and Research Institute (NAFARI) (2011) and Dun & Bradstreet's published database of emerging SMEs from the food processing sector in the Pune region. The data was collected by personal visits to the sample respondents. Pune was chosen for the study as it is one of the most promising regions in the food processing sector. One hundred and fifty organizations out of 462, meeting the above mentioned criteria, were identified.

Cochran's (1977) correction formula was used to calculate the final sample size. (Using Cochran's (1977) sample size formula for continuous data at alpha level of 0.05, and acceptable error at 3%, the minimum sample size requirement is 94 for an estimated population of 462 SMEs.)

Data were collected using a questionnaire administered to senior executives or CEOs during personal visits to the sample organizations. They were chosen as respondents since CI and CO are organization level constructs and top management functionaries are likely to have rich and accurate information due to their central control function within the organization. Corporate identity as defined for this study represents expression of an organization's notion of self by means of symbolism, behaviour, and communication. This notion of self of an organization refers to the characteristics of the organization which are central, enduring, and distinctive. These characteristics emanate from the mission, vision, and values of the organization. They represent the communicated essence of the organization's self. There is a wide consensus in the literature that the support and participation of owners/CEOs are vital to the success of SMEs since the organizations are smaller in size and owners/CEOs have an overarching role in every aspect of the business including corporate identity management (Krake, 2005; Spence & Essoussi, 2010) and customer orientation. Moreover, it is indicated in the literature that SMEs are generally closer to their customers (Salavou et al., 2004); their interaction with customers is quite frequent as compared to their large counterparts. Therefore there is little reason to believe that there is a gap between the actual customer orientation and perceived customer orientation of SMEs. Previous studies (e.g., Appaih-Adu & Singh, 1998) have also used the single respondent response. However, this may be a limitation of the present study, and it is suggested that future studies involve multiple respondents in individual firms.

Out of 150 targetted organizations 114 heads responded; 12 responses were dropped due to incomplete information and thus information on 102 SMEs was available for analysis. The average age of participating organizations was 20.8 years; 19.6% of the organizations had investment in the range of Rs 1 million–2.5 million, 52.9% in the range of Rs 2.5 million to 50 million while the rest of the 27.5% had investment in the range of Rs 50 million–100 million. The average experience of the participants was 11.3 years, which provided the additional evidence of the appropriateness of using the CEOs/top management personnel as key respondents. Thus a high response rate of 76% was achieved.

A single respondent from each organization provided the data, raising concerns about the common method bias. Harman's single factor test (in addition to several preventive steps) was utilized to test for the presence of common method bias (Podsakoff & Organ, 1986). The principal component analysis yielded eight factors with Eigen values greater than 1.0, and showed that none of the factors accounted for a majority of the variance. Based on this, it was concluded that common method variance was not a problem in this study. Thus, the data analysis proceeded with scale purification and model testing as described in subsequent sections.

Measures

In order to test the hypothesized relationships among the variables CI, performance, and CO in the proposed model, a satisfactory measuring instrument was required to assess uni-dimensionality, reliability, and validity. All scales were subjected to uni-dimensionality check followed by reliability (at item and construct level) and validity assessment. An anchored 5- point scale was used in the study for all constructs.

The construct CI was measured by the 12-item scale developed by Maurya et al. (2013). All 12 items had loadings greater than minimum cutoff of 0.4, and variance extracted (>50%) and KMO Bartlett's outputs were adequate to infer the sample adequacy and uni-dimensionality. Therefore, all the items were retained.

The construct CO was measured by the 10-item synthesized scale (see Appendix I) developed by Deshpande and Farley (1998). All items had loadings more than 0.5; however, two items, CO3 and CO10, had cross loading. With the removal of these items, the cross loading was removed but the variance extracted was lower than 50% (43.796%). The next two items with factor loading of less than 0.6 were deleted to increase the average variance extracted to the minimum cutoff of 50%. Remaining items with their respective loadings and corresponding value of variance extracted and KMO Bartlett's outputs were adequate to infer the sample adequacy, adequate variance extraction, and uni-dimensionality.

Performance (MP & FP) was measured by adapting the scale by Irving (1995) [as cited in Homburg and Pflesser (2000), see Appendix I]. Market performance was measured by using six indicators (M1 to M6). Financial performance attempts to measure profitability and is defined as return on sales as compared to competitors (the measurement of a construct is dependent upon the way it is being operationalized), therefore best measured as single indicator. Single indicator item (M7) has been used to measure FP in line with previous studies by Irving (1995) and Homburg and Pflesser (2000). Two items (M3 & M4) had a loading less than the desirable cut-off of 0.6 and the average variance extracted was below 50% (41%). The removal of these two items improved the variance extracted to above 50% (52.33%). Remaining items with their respective loadings and corresponding value of variance extracted and KMO Bartlett's tests were adequate to infer the sample adequacy, adequate variance extraction, and uni-dimensionality.

Results

Data was analysed by using the partial least square (PLS), a variance based structural equation modelling (SEM) technique, which allows simultaneous examination of theory and measures.

Selection of approach is dependent upon the objective of research. The PLS-SEM has been used in this study according to criteria suggested by Falk and Miller (1992) (as cited in Durate and Raposo, 2010, p.461) To clarify, first, the hypotheses are conjectural in nature; in this study the relationships between CI and CO, and the mediating role of CO on CI-performance link are conjectural in nature based upon previous theoretical literature as no substantive theory exists. Second, two of the hypotheses relating CI-performance and CO-performance are based upon macro-theory. Third, the sample size is 102, which is less than 200, therefore small for covariance based–structural equation modelling (CB-SEM) (Hoelter, 1983).

The PLS-SEM is a two step approach for model validation. The first step in PLS-SEM involves assessment of the outer model (measurement model) followed by evaluation of the inner model (structural model). In the measurement model an assessment of reliability and validity of the constructs is carried out. Inner model validation assesses the relationships between the latent variables.

Outer model evaluation

Table 2 shows that all the indicators for first order construct CO and MP have adequate [above minimum value of 0.5 as suggested by Chin (1998), Barclay, Thompson, and Higgins (1995)] and significant loadings. Therefore, indicator reliability is established.

The composite reliabilities and average variance extracted (AVE) of all the latent constructs are above the threshold of 0.6 and 0.5 respectively except the AVE of C which is 0.4941 (very close to 0.5). Therefore, it is inferred that the constructs are reliable and show adequate convergent validity.

As indicated in Table 3, the square root of AVE (indicated in the diagonal) of each construct is greater than the highest correlation it shares with any other latent construct. Discriminant validity is established (Barclay et al., 1995; Chin, 1998; Hulland, 1999). The second order construct, CI, has been modelled using repeated indicator approach and path coefficient between second order and first order construct has been used as loadings for calculating composite reliability (CR) and AVE for second order construct. The value of CR and AVE for CI has been given in Table 4. It can be seen that the value of CR is greater than 0.7 and AVE greater than 0.5, providing the evidence of valid and reliable measures for second order construct (as the loadings of first order latent variables on the second order factor exceeds 0.7). The results indicate that the loadings are significant at $p = 0.001$.

Therefore hypothesis H1, Corporate identity is a second order construct with three distinct dimensions, is supported.

Inner model evaluation

The starting point for evaluating inner model is the determination of strength of each structural path and the combined predictiveness (R^2) of its exogenous construct(s) (Chin, 1998). Falk and Miller (1992) suggest that R^2 for endogenous variables should be greater than 0.1. As indicated in Fig. 1 R^2 for model CI-CO-MP and CI-CO-FP are 0.405 and 0.169 respectively. Therefore, the estimated model fits the survey data. After computation of path estimates, a bootstrap analysis was performed to find out the statistical significance of

Table 2 Indicators loadings on the latent constructs.

	V	C	B	CO	MP	FP
V1	0.7631 (16.28)***					
V2	0.8075 (21.54)***					
V3	0.793 (13.59)***					
V4	0.7790 (12.40)***					
C1		0.7067 (7.05)***				
C2		0.7515 (12.27)***				
C3		0.6721 (8.07)***				
C5		0.6792 (8.35)***				
B1			0.7960 (20.18)***			
B2			0.7575 (13.17)***			
B3			0.6653 (8.38)***			
B5			0.8238 (24.73)***			
CO4				0.8906 (40.24)***		
CO5				0.7986 (15.15)***		
CO6				0.6558 (8.48)***		
CO7				0.6558 (9.096)***		
CO8				0.6248 (6.55)***		
CO9				0.6494 (8.77)***		
M1						0.6570 (5.74)***
M4						0.6495 (6.30)***
M5						0.8098 (16.23)***
M6						0.7497 (10.46)***
M7+						1

***Significant at $p = 0.001$, Bootstrapping $n = 1000$.
+Single indicator item.
V – Visual or Symbolic self expression; C – Communication; B – Behavioural self expression; CO – Customer orientation; MP – Market performance; FP – Financial performance.

Table 3 Correlations of the first order latent constructs.

	B	C	CO	FP	MP	V
B	0.762+	0	0	0	0	0
C	0.3121	0.703	0	0	0	0
CO	0.3666	0.4352	0.718	0	0	0
FP*	0.2482	0.3038	0.3845	1	0	0
MP	0.4487	0.3628	0.5897	0.589	0.72	0
V	0.4092	0.4445	0.5803	0.261	0.4483	0.786

+Square root of AVE on diagonals.
*Single item indicator.
V – Visual or Symbolic self expression; C – Communication; B – Behavioural self expression CO – Customer orientation; MP – Market performance; FP – Financial performance.

Table 4 Assessing hierarchical model of corporate identity.

Corporate identity	
CR	0.591
AVE	0.586
B	0.738 (10.05)***
C	0.719 (9.33)***
V	0.844 (19.38)***

***Significant at $p = 0.0001$.
Bootstrapping $n = 1000$.
CR – composite reliability; AVE – average variance extracted; V – Visual or Symbolic self expression; C – Communication; B – Behavioural self expression.

the structural paths. From Table 5, it becomes clear that the direct effect path coefficients for CI-MP and CI-FP are positive (0.5496 and 0.3498) and highly significant ($p < 0.005$). Therefore, it can be inferred that CI significantly and positively predicts both MP and FP. The path coefficients from CI (independent variable) to CO (mediator) {a} is 0.6093 and highly significant ($p < 0.0001$). The path coefficient from CO (mediator) to MP (DV1) and FP (DV2) are 0.4053 ($p < 0.0001$) and 0.2725 (<0.088) respectively and are significant. The path coefficients for indirect effect path CI (IV) to MP (DV) and FP (DV) in the presence of mediator CO are 0.3027 (significant at $p < 0.0013$) and 0.1838 (insignificant at $p < 0.3$) respectively. Therefore, the model involving path CI-CO-MP meets the criteria of Baron and Kenny's (1986) partial mediation and CI-CO-FP indicates the case of full mediation (Baron and Kenny, 1986). Table 6 reveals that the Q^2 values are greater than 0, therefore the model has predictive relevance (Geisser, 1975; Stone, 1974). From the above discussion the criteria for mediation have been established.

Discussion

Theoretical implication

With reference to the propositions made at the beginning, the findings based upon the data supported all hypotheses 1

Table 5 Evaluating structural model: path coefficients and T-statistics for the paths between the latent constructs and path coefficients in the proposed model.

Path	Path coefficient	T Statistics
CI->CO (a)	0.6093	8.607*** (H3)
CO->MP (b)	0.4053	4.7288*** (H4a)
CI->MP (without mediator, CO){c}	0.5496	8.1386***(H2a)
CI->MP (with mediator, CO){c'}	0.3027	3.2219** (H5a)
CO->FP (b)	0.2725	1.7048+ (H4b)
CI->FP(without mediator){c}	0.3498	3.0294++ (H2b)
CI->FP(with mediator){c'}	0.1838	1.1598 n.s. (H5b)

***Significant at $p = 0.0001$.
**Significant at $p = 0.0013$.
+Significant at $p = 0.0883$.
++Significant at $p = 0.0023$.
n.s. not significant even at $p = 0.2459$.
Bootstrapping $n = 1000$.
CI – Corporate identity; CO – Customer orientation; MP – Market performance; FP – Financial performance.

Table 6 Q^2 statistics for the latent constructs for proposed research model.

Latent construct	CV-COMM	CV-RED
B	0.581	0.307
C	0.493	0.255
V	0.618	0.433
CI	0.336	0.317
CO	0.514	0.189
MP	0.518	0.204
FP	1	0.171

V – Visual or Symbolic self expression; C – Communication; B – Behavioural self expression; CI – Corporate identity; CO – Customer orientation; MP – Market performance; FP – Financial performance; CV-COMM: Cross validated – Communality; CV-RED – Cross validated – Redundancy.

to 5. The establishment of CI as a construct consisting of three distinct dimensions lends credence to the findings of Simões et al. (2005) and van Riel and Balmer (1997). Moreover the debate in the literature about the underlying dimensions has been clarified. Previous studies have suggested various views on number of dimension e.g., three dimensions (van Riel and Balmer, 1997; Simoes et al., 2005), four dimensions (Rode & Vallaster, 2005; Witt & Rode, 2005), seven dimensions (Melewar, 2003; Melwar & Karaosmangolu, 2006). But, this is the first study which extends the work on dimensionality of CI in the SME context in general and SMEs in the Indian food processing sector in particular. This will help further researchers adopt, modify, and extend the knowledge in the domain of corporate identity.

The establishment of a positive and significant association between CI and performance (MP & FP) strengthens the theoretical arguments by various authors (Balmer & Gray, 2000; He & Mukherjee, 2009; Melewar & Karaosmanoglu, 2006; Melewar & Navalekar, 2002; Simões & Dibb, 2002; Simões. et al., 2005). This provides empirical evidence to the SME stakeholders and a rationale to the SME owners and CEOs for investing in corporate identity.

Further, confirming a positive association between CO and performance lends credence to the several empirical efforts in exploring this relationship across various national contexts (Balakrishnan, 1986; Deshpande et al., 1993) and across organizations of various sizes (e.g., Appiah-Adu & Singh, 1998). The present study examines this relationship in SMEs in the Indian food processing sector.

From Table 5, it is clear that the model involving the path CI-CO-MP meets Baron and Kenny's (1986) criteria of partial mediation and CI-CO-FP indicates the case of full mediation (Baron & Kenny, 1986). This means that CI has both direct and indirect effect upon MP. However, in case of FP, CI is only indirectly affecting it through customer orientation. This implies that SMEs should not look for immediate financial gain while focussing on CI. The authors have termed CI as an important strategic resource which has the potential to enable high performance. It can be asserted that a strong and favourable CI will not only help the organization in better identification with the customer (Algesheimer et al., 2005; Bhattacharya & Sen, 2003), but will also give the organization a sense of direction (Melewar, 2003) and complement CO. This hypothesis has been proposed and supported in the present study for the first time; it advances our understanding of interaction between corporate identity and customer orientation, which is of strategic importance. The establishment of mediation hypotheses indicates that corporate identity provides authenticity to the organization, signalling to customers to buy and use the services of the organization by providing the assurance that it will deliver and stand behind the offering (product and services). This way it strengthens the claim of the organization that "we understand and will deliver the offerings better than our competitors".

Managerial implication

The study extends empirical support to the notion that the role of CI is overarching as it has direct and indirect effects on MP, whereas CI has indirect effect on FP through CO. This means SMEs should not expect immediate financial outcome/impact of CI. At the same time, SMEs should not ignore the strategic importance of CI and the need for synergy with CO. This would be of consequence to managers dealing with SMEs. This study suggests that focussing and managing the symbolism, behaviour, and communication will lead to better CI and thereby to better market performance. However, it does not mean that SMEs should focus on these dimensions in a sequential manner. These dimensions need to be managed simultaneously and in a synergistic fashion so as to reflect an integrated corporate identity across each touch point with the stakeholders to build an authentic corporate brand. Further, the validated instrument can be used by organizations to audit or monitor their CI and CO for better management as it encompasses the fundamentals which lie at the very heart of these constructs. Another implication for organizations is that they should know their CI domain, where they can play when deciding to responding to customers' needs. This study is a step forward in terms of bringing organizations labelled as the "less privileged category" into the ambit of the concepts of CI and CO; it also provides the rationale for the contention that marketing of an organization or its offering is not just the domain of large organizations, it applies equally to SMEs.

By focussing on corporate identity, SMEs are essentially building their corporate brand. Corporate brand defines the organization that will deliver and stand behind the offering (product and services) that the customer will buy and use. In other words, it not only appeals to other stakeholders and influences their response towards the organization, but can be extended to support their offerings (product & services) thereby building a "branded house" type of brand architecture. Unless SMEs have very strong reasons to act otherwise, they are advised to follow the branded house structure for managing their portfolio. Organizations intending to build many independent brands require a huge amount of resources which is often not possible for SMEs due to resource constraints.

The mediation of customer orientation in corporate identity and performance relationship indicates that the role of corporate identity is overarching and it reflects the "real notion of self" of an organization which is relevant to the organization. The corporate identity also guides the customer orientation of an organization and impacts its performance indirectly. This means an organization cannot claim that either it (the organization) or its offerings are authentic through marketing or any other means. They must earn the privilege of being deemed authentic only through the act of rendering products and services. In other words, the focus should be on meeting the two standards of authenticity by an organization: (1) an offering should be what it says it is; and (2) it should be true to itself (see Pine & Gilmore, 2011).

Limitation and future direction for research

This research has been conducted under several constraints. First, only limited data could be collected and from one sector alone; second, convenience sampling was used due to resource constraints; third, the sample was obtained from Pune region, and is not very large in absolute terms. Therefore any attempt of generalization beyond this region should be done with caution.

Notwithstanding the limitation, the present study contributes to marketing and entrepreneurship literature by empirically establishing the relationship between CI and performance, and provides the rationale for SMEs to focus on CI. It also strengthens the theory of CO in the context of food processing sector SMEs in a developing country. Finally, the study contributes to the marketing and entrepreneurship literature by establishing the mediating role of CO in the context of SMEs, indicating the need for a synergic approach towards corporate identity and customer orientation by SMEs. Further research could explore these issues in multiple industries, with larger samples, using dyadic survey and a different geography. Another stream of research could be conducting a longitudinal study to establish the causality of proposed dependence relationships. Researchers may also opt for a different paradigm to explore insights into the phenomenon.

In spite of the above limitations, based upon the findings, it can be concluded that CI and CO lead to superior performance; CI has indirect effect on performance, and through CO as well. This research being the first in food processing SMEs, will act as a springboard for further enquiry.

Acknowledgements

The preliminary version of this paper was selected among 12 best papers by IMRDC 2012 and was presented at the IMR Doctoral Conference 2012. The first author acknowledges the inputs and comments by discussant Prof. Seema Gupta, Prof. Ramadhar Singh and other esteemed delegates attending the conference, which helped in improving the manuscript. The authors would also like to thank the Xavier Institute of Management, Bhubaneswar, for supporting the study as part of the doctoral dissertation of the first author. The authors also acknowledge the support of Mr. Vinay Oswal, Director, NAFARI, Pune and Mr. B.P. Singh from Apex Cluster, New Delhi, during data collection.

Appendix I

Items for the various constructs used in the study.

A 5 point scale anchored by 1 "strongly disagree" and 5 "strongly agree" was used in the current study for all constructs.

Items for corporate identity construct (adapted from Maurya et al., 2013)

Code	Question
Symbolism or visuals	
V1	Our organization's visual mix represents our business philosophy (vision, mission and values)
V2	Defined standards for visual mix elements are followed in our organization across all means of representation including print and digital media (e.g., packaging, uniform, wall painting, promotional material, social media networks etc)
V3	Our visual element mix is eye catching and enable identification with key target stakeholders
V4	Our visual element mix is aimed at creating a specific image among key target stakeholders
Behaviour	
B1	Our organization ensures that all the employees (existing and new entrants) are aware of relevant values (norms about what is important and appropriate attitude)
B2	There is total agreement on our mission (purpose of our existence) across all levels and functional areas of the organization
B3	Employees view themselves as partners in charting the direction of the business (e.g., functional areas)
B5	Our organization has a well defined mission (purpose of existence) statement
Communication	
C1	Medium of targetted communication is selected based upon need and relevance to key stakeholders in addition to expected long term benefit
C2	Standard of targetted communication is predominantly set by top management (Owner/CEO/Managing partner)
C3	All medium of targetted communication for specific target group have similar theme
C5	We rely on external agency for designing the content of communication

Customer orientation scale (adapted from Deshpande & Farley, 1998)

Code	Question
CO1	Our business objectives are primarily driven by customer satisfaction (This question aims to assess the extent to which the business objectives are driven by customer satisfaction with reference to that particular organization)
CO2	We constantly monitor our level of commitment and orientation serving to customer needs
CO3	We freely communicate information about our successful and unsuccessful customer experiences across all business functions
CO4	Our strategy for competitive advantage is based on our understanding of customers' need
CO5	We measure customer satisfaction systematically and frequently (This question tries to assess to what extent the organization has routine or regular interaction with customers so that customer satisfaction is not only assessed but internalized for necessary changes)
CO6	We have regular or routine measures of customer service
CO7	We are more customer focussed than our competitors
CO8	I believe that this business exists primarily to serve customers
CO9	We poll end users at least once a year to assess the quality of our products and services
CO10	Data on customer satisfaction are disseminated at all levels in our organization on regular basis

Performance scale {adapted from Irving (1995) as cited in Homburg and Pflesser (2000)}

Code	Question
Market performance	
In the last three years, relative to your competitors, how has your business unit performed with respect to	
M1	Achieving customer satisfaction?
M2	Providing value for customers?
M3	Keeping current customers?
M4	Attracting new customers?
M5	Attaining desired growth?
M6	Securing desired market share?
Financial performance (return on sales)	
M7	Over the last three years, what was the average annual return on sales of your business unit? (Return on sales refers to profitability with respect to sales for past three years in comparison to the organization's major competitor.)

References

Abimbola, T., & Kocak, A. (2007). SMEs as expressive organizations: a resource-based perspective. *Qualitative Market Research*, *10*(4), 416–430.

Abimbola, T., & Vallaster, C. (2007). Brand, organizational identity, and reputation in SMEs: an overview. *Qualitative Market Research*, *10*(4), 341–348.

Abratt, R., & Kleyn, N. (2012). Corporate identity, corporate branding and corporate reputations: reconciliation and integration. *European Journal of Marketing*, *46*(7/8), 1048–1063.

Ackerman, L.D. (1984). The psychology of corporation: how identity influences business. *Journal of Business Strategy*, *5*, 56–65.

Albert, S., & Whetten, D.A. (1985). Organizational identity. *Research in Organizational Behaviour*, *7*, 263–295.

Alessandri, S.W. (1999). Modeling corporate identity: a concept explication and theoretical explanation. *Corporate Communications: An International Journal*, *6*(4), 173–182.

Algesheimer, R., Dholakia, U.M., & Herrmann, A. (2005). The social influence of brand community: evidence from European car clubs. *Journal of marketing*, *69*(3), 19–34.

Appiah-Adu, K., & Singh, S. (1998). Customer orientation and performance: a study of SMEs. *Management Decision*, *36*(6), 385–394.

Balakrishnan, S. (1986). Benefits of customer and competitive orientations in industrial markets. *Industrial Marketing Management*, *25*, 257–269.

Balmer, J.M.T. (2001). Corporate identity, corporate branding and corporate marketing. *European Journal of Marketing*, *35*(3), 248–291.

Balmer, J.M.T. (2008). Identity based views of the corporation: insights from corporate identity, organisational identity, social identity, visual identity, corporate brand identity and corporate image. *European Journal of Marketing*, *42*(9/10), 879–906.

Balmer, J.M.T. (2010). Explicating corporate brands and their management: reflections and directions from 1995. *Journal of Brand Management*, *18*(3), 180–196.

Balmer, J.M.T. (2012). Strategic corporate brand alignment: perspectives from identity based views of corporate brands. *European Journal of Marketing*, *46*(7/8), 1064–1092.

Balmer, J.M.T., & Gray, E.R. (2000). Corporate identity and communications: creating a competitive advantage. *Industrial and Commercial Training*, *32*(7), 256–261.

Balmer, J.M.T., & Soenen, G.B. (1999). The acid test of corporate identity management. *Journal of Marketing Management*, *15*(1–3), 69–92.

Balmer, J.M.T., & Wilson, A. (1998). Corporate identity: there is more to it than meets the eye. *International Studies of Management & Organization*, *28*(3), 12–31.

Barclay, D., Thompson, R., & Higgins, C. (1995). The partial least squares (PLS) approach to causal modeling: personal computer adoption and use an illustration. *Technology Studies*, *2*(2), 285–309.

Baron, R.M., & Kenny, D.A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, *51*(6), 1173–1182.

Beckman, T., & Harris, G. (2007). The apple of jobs' eyes: an historical look at the link between customer orientation and corporate identity. In *Proceedings of the 13th Conference for Historical Analysis and Research in Marketing (CHARM). Marketing History at the Center, John W. Hartman Center for Sales, Advertising & Marketing History, Duke University, Durham, North Carolina, May 17–20*.

Bernstein, D. (1984). *Corporate image and reality: A critique of corporate communications*. Eastbourne, East Sussex Holt: Rinehart and Winston, The Advertising Association.

Berthon, P., Ewing, M.T., & Napoli, J. (2008). Brand management in small to medium-sized enterprises. *Journal of Small Business Management*, *46*(1), 27–45.

Bhattacharya, C.B., & Sen, S. (2003). Consumer-company identification: a framework for understanding consumers' relationships with companies. *Journal of Marketing*, *67*(2), 76–88.

Bick, G., Jacobson, M.C., & Abratt, R. (2003). The corporate identity management process revisited. *Journal of Marketing Management*, *19*(7/8), 835–855.

K. BirkigtM.M. Stadler (Eds.), (1986). *Corporate Identity*. Landsberg: Grundlagen, Funktionen, Fallspielen, Verlag Moderne Industrie.

Brown, G., Boya, U.O., Humphreys, N., & Widing, R.E. (1993). Attributes and behaviors of salespeople preferred by buyers: high socializing vs. low socializing industrial buyers. *Journal of Personal Selling & Sales Management*, *13*(1), 25–33.

Brown, T.J., Dacin, P.A., Pratt, M.G., & Whetten, D.A. (2006). Identity, intended image, construed image, and reputation: an interdisciplinary framework and suggested terminology. *Journal of the Academy of Marketing Science*, *34*(2), 99–106.

Chajet, C. (1989). The making of a new corporate image. *Journal of Business Strategy*, *10*(3), 18–20.

Chin, W.W. (1998). The partial least squares approach for structural equation modeling. In G.A. Marcoulides (Ed.), *Modern methods for business research* (pp. 295–336). London: Lawrence Erlbaum Associates.

Christensen, L.T., & Askegaard, S. (2001). Corporate identity and corporate image revisited-a semiotic perspective. *European Journal of Marketing*, *35*(3/4), 292–315.

Cochran, W.G. (1977). *Sampling techniques* (3rd ed.). New York: John Wiley & Sons.

Collins, J.C., & Porras, J.I. (1994). *Built to Last: Successful habits of visionary companies*. New York: Harper Business.

Cornelissen, J.P., & Elving, W.J.L. (2003). Managing corporate identity: an integrative framework of dimensions and determinants. *International Journal*, *8*(2), 114–120.

Coviello, N.E., Brodie, R.J., & Munro, H.J. (2000). An investigation of marketing practice by firm size. *Journal of Business Venturing*, *15*, 523–545.

Dacin, P., & Brown, T. (2002). Corporate identity and corporate associations: a framework for future research. *Corporate Reputation Review*, *2/3*(5), 254–263.

Day, G.S. (1994). The capabilities of market-driven organizations. *The Journal of Marketing*, *58*(4), 37–52.

Day, G.S., & Wensley, R. (1988). Assessing advantage: a framework for diagnosing competitive superiority. *Journal of Marketing*, *52*(2), 1–20.

Deshpande, R., & Farley, J.U. (1998). Measuring market orientation: generalization and synthesis. *Journal of Market Focused Management*, *2*(3), 213–232.

Deshpande, R., Farley, J.U., & Webster, F.E. (1993). Corporate culture, customer orientation, and innovativeness in Japanese firms: a quadrad analysis. *Journal of marketing*, *57*, 23–37.

Dun & Bradstreet, India (2006). *Emerging SMEs of India: Food processing*available at, . Dun & Bradstreet website. <http://www.dnb.co.in/Food%20Processing/company_listing.asp?PageNo=6&q=region&r=West%20Region>, Accessed 21.04.12.

Durate, O.A.P., & Raposo, L.M. (2010). A PLS model to study brand preference : an application to the mobile phone market. In V.E. Vinci, W.W. Chin, J. Henseler, & H. Wang (Eds.), *Handbook of partial least squares : Concepts, methods and applications* (pp. 427–447). Berlin,Germany: Springer-Verlag.

Falk, R.F., & Miller, N.B. (1992). *A primer for soft modeling*. Akron, OH: University of Akron Press.

Felton, A.P. (1959). Making the marketing concept work. *Harvard Business Review*, *37*(4), 55–65.

Fombrun, Charles J. (1996). *Reputation: Realizing value from the corporate image*. MA: Cambridge: Harvard Business School Press.

Fournier, S. (1998). Consumers and their brands: developing relationship theory in consumer research. *Journal of Consumer Research*, *24*, 343–373.

Geisser, S. (1975). The predictive sample reuse method with applications. *Journal of the American Statistical Association*, *70*(350), 320–328.

Gioia, D.A., Schultz, M., & Corley, K.G. (2000). Organizational identity, image, and adaptive instability. *Academy of Management Review*, *25*(1), 63–81.

Gray, E.R., & Balmer, J.M.T. (1998). Managing corporate image and corporate reputation. *Long Range Planning*, *31*(5), 695–702.

Hatch, Mary Jo, & Schultz, Majken (1997). Relations between organizational culture, identity and image. *European Journal of Marketing*, *31*(5/6), 356–365.

Hawn, R. (1998). Image vs. identity. *Trends*, *14*, 22–27.

He, H.-W., & Balmer, J.M.T. (2007). Identity studies: multiple perspectives and implications for corporate-level marketing. *European Journal of Marketing*, *41*(7/8), 765–785.

He, H.W., & Mukherjee, A. (2009). Corporate identity and consumer marketing: a process model and research agenda. *Journal of Marketing Communications*, *15*(1), 1–16.

Hoelter, J.W. (1983). Factorial invariance and self-esteem: reassessing race and sex differences. *Social Forces*, *61*(3), 835–846.

Hoffman, K.D., & Ingram, T.N. (1991). Creating customer-oriented employees: the case in home health care. *Journal of Health Care Marketing*, *11*(2), 24–32.

Homburg, C., & Pflesser, C. (2000). A multiple-layer model of market-oriented organizational culture: measurement issues and performance outcomes. *Journal of Marketing Research*, *37*(4), 449–462.

Horng, S., & Chen, C. (1998). Market orientation of small and medium sized firms in Taiwan. *Journal of Small Business Management*, *36*(3), 79–85.

Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: a review of four recent studies. *Strategic Management Journal*, *20*, 195–224.

Hunt, S.D., & Morgan, R.M. (1996). The resource-advantage theory of competition: dynamics, path dependencies, and evolutionary dimensions. *The Journal of Marketing*, *60*(4), 107–114.

Ind, Nicholas (1997). *The Corporate Brand*. New York: New York University Press.

Irving, E. (1995). Marketing quality practices. unpublished dissertation, In Chapel Hill: Business School, University of North Carolina.

Johnson, M., & Zinkhan, G.M. (1990). Defining and measuring company image. In *Proceedings of the Thirteenth Annual Conference of the Academy of Marketing Science* (pp. 346–350).

Juntunen, M., Saraniemi, S., Halttu, M., & Tähtinen, J. (2010). Corporate brand building in different stages of small business growth. *Journal of Brand Management*, *18*(2), 115–133.

Keller (2002). Branding and brand equity. In Barton A. Weitz & Robin Wensley (Eds.), *Handbook of Marketing* (pp. 151–178). London: Sage.

Keller, K.L. (2003). *Strategic brand management: Building, measuring, and managing brand equity*. Prentice-Hall.

Keskin, H. (2006). Market orientation, learning orientation, and innovation capabilities in SMEs. *European Journal of Innovation Management*, *9*(4), 396–417.

Kennedy, K.N., Goolsby, J.R., & Arnould, E.J. (2003). Implementing a customer orientation: extension of theory and application. *Journal of Marketing*, *67*(4), 67–81.

Kiran, V., Majumdar, M., & Kishore, K. (2012). Innovative marketing strategies for micro, small & medium enterprises. *Interdisciplinary Journal of Contemporary Research in Business*, *4*(2), 1059–1066.

Knox, S., & Bickerton, D. (2003). The six conventions of corporate branding. *European Journal of Marketing*, *37*(7/8), 998–1016.

Kohli, A.K., & Jaworski, B.J. (1990). Market orientation: the construct, research propositions, and managerial implications. *The Journal of Marketing*, 1–18.

Kotler, P. (1977). From Sales Obsession to Marketing Effectiveness. *Harvard Business Review*, *55*(6), 67–75.

Kotler, P. (1984). *Marketing management: Analysis, planning and control*. New Jersey: Prentice Hall.

Krake, F.B.G.J.M. (2005). Successful brand management in SMEs: a new theory and practical hints. *The Journal of Product and Brand Management*, *14*(4/5), 228–238.

Livengood, R.S., & Reger, R.K. (2010). That's our Turf! Identity domains and competitive dynamics. *Academy of Management Review*, *35*(1), 48–66.

Margulies, Walter P. (1977). Make the Most of Your Corporate Identity. *Harvard Business Review*, *55*(4), 66–74.

McKitterick, J. (1957). What is the marketing management concept? In *Proceedings of the American Marketing Association Conference, Chicago, IL* (pp. 71–82).

Markwick, N., & Fill, C. (1997). Towards a framework for managing corporate identity. *European Journal of Marketing*, *31*(5/6), 396–409.

Maurya, U.K., Mishra, P., Anand, S., & Kumar, N. (2013). Understanding corporate identity of SMEs: Conceptualization and preliminary construction of scale. Paper to be presented at the World Marketing Congress, Melbourne, Australia, July 17–20, .

Melewar, T.C. (2003). Determinants of the corporate identity construct: a review of the literature. *Journal of Marketing Communications*, *9*(4), 195–220.

Melewar, T.C., & Jenkins, E. (2002). Defining the corporate identity construct. *Corporate Reputation Review*, *5*(1), 76–93.

Melewar, T.C., & Karaosmanoglu, E. (2006). Seven dimensions of corporate identity: a categorisation from the practitioners' perspectives. *European Journal of Marketing*, *40*(7/8), 846–869.

Melewar, T.C., & Navalekar, A. (2002). Leveraging corporate identity in the digital age. *Marketing Intelligence and Planning*, *20*(2), 96–103.

Melewar, T.C., Saunders, J., & Balmer, J.M.T. (2001). Cause, effect and benefits of a standardized corporate visual identity system of U.K. companies operating in Malaysia. *European Journal of Marketing*, *35*(3/4), 414–427.

Meziou, F. (1991). Areas of strength and weakness in the adoption of the marketing concept by small manufacturing firms. *International Small Business Journal*, *29*, 72–78.

Murphy, J. (1992). *What is branding? (Branding a key marketing tool)* (pp. 1–12). Basingstoke: Macmillan.

Narver, J.C., & Slater, S.F. (1990). The effect of a market orientation on business profitability. *The Journal of Marketing*, *54*(4), 20–35.

National Agriculture and Food Analysis and Research Institute (2011). *Agri-food directory – Pune region*. Pune: YSW Information System.

Neely, A., Gregory, M., & Platts, K. (1995). Performance measurement system design: a literature review and research agenda. *International Journal of Operations & Production Management*, *15*(4), 80–116.

Otubanjo, B.O., & Melewar, T.C. (2007). Understanding the meaning of corporate identity: a conceptual and semiological approach. *Corporate Communications: An International Journal*, *12*(4), 414–432.

Pasanen, M. (2003). *In search of factors affecting SME performance*. Kuopio: University of Kuopio.

Pelham, A., & Wilson, D. (1996). A longitudinal study of the impact of market structure, firm structure, strategy, and market orientation culture on dimensions of performance. *Journal of the Academy of Marketing Science*, *24*, 27–43.

Peterson, R.T. (1989). Small business adoption of the marketing concept vs other business strategies. *Journal of Small Business Management*, *27*, 38–46.

Piercy, N., Harris, L., & Lane, N. (2002). Market orientation and retail operatives expectations. *Journal of Business Research*, *55*, 261–273.

Pine, B.J., & Gilmore, J.H. (2011). *The experience economy*. Harvard Business Press.

Podsakoff, P.M., & Organ, D.W. (1986). Self-reports in organizational research: problems and prospects. *Journal of Management*, *12*(2), 531–544.

Raju, P.S., Lonial, S.C., & Crum, M.D. (2011). Market orientation in the context of SMEs: A conceptual framework. *Journal of Business Research*, *64*(12), 1320–1326.

Ravasi, D., & Schultz, M. (2006). Responding to organizational identity threats. *Academy of Management Review*, *49*(3), 433–458.

Reinartz, W.J., & Kumar, V. (2000). On the profitability of long-life customers in a noncontractual setting: an empirical investigation and implications for marketing. *Journal of Marketing*, *64*(4), 17–35.

Reynolds, P.L. (2002). The need for a new paradigm for small business marketing – what was wrong with the old one? *Journal of Research in Marketing & Entrepreneurship*, *4*(3), 191–205.

Rindfleisch, A., & Moorman, C. (2003). Interfirm cooperation and customer orientation. *Journal of Marketing Research*, *40*(4), 421–436.

Rode, V., & Vallaster, C. (2005). Corporate branding for start-ups: the crucial role of entrepreneurs. *Corporate Reputation Review*, *8*(2), 121–135.

Rubinstein, H. (1996). "Brand First" management. *Journal of Marketing Management*, *12*(4), 269–280.

Ruekert, R.W. (1992). Developing a market orientation: an organizational strategy perspective. *International Journal of Research in Marketing*, *9*(3), 225–245.

Ruekert, R.W., Walker, O.C., Jr., & Roering, K.J. (1985). The organization of marketing activities: a contingency theory of structure and performance. *Journal of Marketing*, *49*, 13–25.

Salavou, H., Baltas, G., & Lioukas, S. (2004). Organizational innovation in SMEs: the importance of strategic orientation and competitive structure. *European journal of marketing*, *38*(9/10), 1091–1112.

Saxe, R., & Weitz, B.A. (1982). The SOCO scale: a measure of the customer orientation of salespeople. *Journal of Marketing Research*, *19*(3), 343–351.

Schmitt, B.H., & Pan, Y. (1994). Managing corporate and brand identities in the Asia-Pacific region. *California Management Review*, *36*(4), 32–48.

Shapiro, B. (1988). What the hell is 'market-oriented'? *Harvard Business Review*, *66*(6), 19–25.

Simões, C., Dibb, S., & Fisk, R. (2005). Managing corporate identity: an internal perspective. *Journal of the Academy of Marketing Science*, *33*(2), 153–169.

Simões, C., & Dibb, S. (2002). *Corporate identity management: Defining the construct*Warwick Business School Research Papers, no. 35, (p. 36).

Siu, W.S., & Kirby, A.D. (1998). Approaches to small firm marketing: a critique. *European Journal of Marketing*, *32*(1/2), 40–60.

Spence, M., & Essoussi, L.H. (2010). SME brand building and management: an exploratory study. *European Journal of Marketing*, *44*(7/8), 1037–1054.

Stone, M. (1974). Cross-validatory choice and assessment of statistical predictions. *Journal of the Royal Statistical Society*, *36*, 111–147.

Stuart, H. (1999). Towards a definitive model of the corporate identity management process. *Corporate Communications: An International Journal*, *4*(4), 200–207.

Tilley, C. (1999). Built-in branding: how to engineer a leadership brand. *Journal of Marketing Management*, *15*(1–3), 181–191.

van Tonder, C.L. (2006). Exploring the identity and 'sense of identity' of organizations. *South African Journal of Industrial Psychology*, *32*, 12–25.

van Riel, C.B., & Balmer, J.M.T. (1997). Corporate identity: the concept, its measurement, and management. *European Journal of Marketing*, *31*, 341–355.

van Tonder, C.L., & Lessing, B.C. (2003). From identity to organisational identity: evolution of a concept. *South African Journal of Industrial Psychology*, *29*(2), 20–28.

Walker, O.C., & Ruekert Raben, W. (1987). Marketing's role in the implementation of business strategies: a critical review and conceptual framework. *Journal of Marketing*, *51*(7), 15–33.

Webster, F.E., Jr. (1992). The changing role of marketing in the corporation. *The Journal of Marketing*, 1–17.

Weiss, A.M., Anderson, E., & MacInnis, D.J. (1999). Reputation management as a motivation for sales structure decisions. *The Journal of Marketing*, *63*(4), 74–89.

Witt, P., & Rode, V. (2005). Corporate brand building in start-ups. *Journal of Enterprising Culture*, *13*(3), 273–294.

Zinkhan, G.M., Ganesh, J., Jaju, A., & Hayes, L. (2001). Corporate image: a conceptual framework for strategic planning. In (vol. 12, pp. 152–160). Enhancing knowledge development in marketing.