

Analyzing the Contribution of Intangible Assets in Small Boutiques Through Owner's View: Evidence from Pakistan SMB

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Abstract This study analyzes the understanding and awareness of the owners of Small Clothing Boutiques' about Intangible Assets (IAs). As these small retail boutiques and outlets come in the category of small businesses, so the study first covers the information about small and medium-sized businesses (SMBs). Also the importance of Intellectual Capital (IC) is enhanced and the study gives possible strategic recommendations to the owners and managers that can be applied to their businesses. The research methodology has been done from taking the sample from Peshawar area. The study discovers the percentage of the small business owners, who are familiar with IA in a business and gives an idea about their perception of Intellectual Property (IP) rights in a fashion business such as copy rights, patents, trademarks; and the important asset in their opinion related to the brand image.

Keywords Intellectual Property, Small and Medium-sized Business, Intangible Asset, Intellectual Property Rights

1. Introduction

1.1. Background

Importance of Intangible Assets (IAs) in brand management has been a critical issue in many industries. Studies have showed their importance and usage, and few researchers have also come up with the recommendations that how to utilize them in small businesses. Fashion retail outlets also come in the category of small businesses and the techniques used for Small & Medium-sized Business (SMB) can be used for them as well. Analyzing the contribution of IAs in a small business, or rather SMB is equivalent to the fact that how much the owner has the understanding of these intangibles, because when the owner is aware of the importance, only then they can utilize them efficiently and

also can recognize their contributions in a business. Owner is the focal point in this study, so by analyzing the knowledge rate of small business owners we can easily understand the contributions of the IAs. Value creation through creativity and innovativeness is done through the contribution of intellectual assets, which is the primary responsibility and goal of a SMB owner. In a report of Organization for Economic Cooperation and Development (OECD) (2008) it is stated that firms are utilizing their patents, human resources and software as the strategic factors for creating value. It is clear that these assets are the focal point for the growth of an economy. In some studies intellectual assets are also termed as IAs, such as in the study of Steenkamp and Kashyap (2010), the authors have defined them as the assets that play a major role in the organization's processes to make the strategy of the organization successful, but do not have a part in the balance sheet. That is why these assets can be called as 'unseen assets' Further in their study the authors state that IAs can be called as Intellectual Capital (IC) collectively. Brooking (2010) also defines IP as those assets which are the creation of one's mind and they have to be protected by the law. These include copyrights, design patents, design rights and trademarks. All these IAs are categorized in different forms. According to many authors' studies we can categorize IP in two; organizational competencies and relational capital (Reynoso, 2008; Steenkamp, 2010; Watson, 2010). Organizational competencies includes all the IAs related 'within' the organization such as structural design, technology used, culture and environment, employees' innovativeness; whereas relational capital are the assets 'outside' the organization such as customer relationships, relations with suppliers and dealers, supply chain management. In past Intellectual Asset term was confined to only patent rights, software, logos, slogans, trademarks, etc; but now the concept has expanded and both of the above categories should have been combined to create value for the business. For example, with an innovative company's website an organization creates good customer relationships, which

both comes in organizational competencies and relational capital. Further in the study, Brooking (2009) has described a Dream Ticket methodology for using the IC assets effectively and to do the better strategic control of them. According to this approach there are four types of assets a business should be concerned about and these are described below.

1. Market assets. These include brands, company name, distribution channels, contracts and etc. These assets give power to the business in the marketplace in early stage of its existence.

2. Infrastructure assets. These include the software, processes, culture and the management of an organization.

3. IP. Intellectual Property includes patent rights, copyrights, trademarks and etc.

4. Human capital. These are the employee expertise, owner's/manager's leadership skills and overall management skills and abilities.

Among these above assets; not only market assets but IP and human capital are also those 'unseen' assets which play an important part in success / failure of a small and medium-sized business. The focus of this research paper is on the market assets with respect to the human capital assets because as described earlier that owner / manager is the central position of a SMB and the success of the business is dependent upon the capabilities of its manager. So keeping in mind human capital assets this study analyzes the contributions of market IAs in small businesses with respect to the knowledge of owner's perspective on the intangibles.

1.2. Purpose of the Study

This study helps in understanding the role of IAs, as these are the key drivers for a company's value creation, and it adds to the knowledge in this area of research. Also, the purpose is to point out those intangibles which have greater probability of contributing in creating and sustaining a competitive advantage in a SMB market. No matter what kind of business it is, the economic definition of entrepreneurship is the market-making abilities and activities of an owner. Owner's input i.e. relationships with customers; suppliers and good strategic abilities to create a competitive edge in market are the real factors of success in a competitive market nowadays. Resource constraints and risks for a business entity are always higher for SMBs rather than for bigger companies, so apart from evaluating the costs/benefits analysis of physical/tangible assets, the identification and management of IAs are the important factors to consider at the first stage. The purpose of this study is to find out the perception and knowledge of the owners about IAs, focusing on Small Boutiques in Peshawar Region and considering them on the first ladder as to be a SMB. Focal point is the owner and the study gives possible strategic market-making recommendations and propositions for those owners who are not aware of the utilization of these assets in their businesses. The study's focus and purpose is on the assets relevant to the branding

and brand management, and to give recommendations for those businesses who want to make their brand stand out of clutter.

1.3. Importance of the Study

As we can see that intellectual assets are important source of value creation so it is equally important to retain them. If we talk about SMBs, they can easily employ these intellectual assets in gaining profits when they are not gaining them from their physical assets. SMBs are the key players of economic growth as they give lots of opportunities to reduce unemployment, but growth of a SMB depends on the best use of its IAs. But it's very important to link the growth with the innovative use of intangibles and SMBs, if we want higher profits, need to be market-oriented. They should respond to market changes through giving innovative products, quality and customer satisfaction. In this way they can create a link between innovation and customer demands. The true obstacles and difficulties of SMB owners such as lack of resources, finance and manpower in running their businesses can be overcome by the intangible capitals, such as innovativeness, technology, organizational and managerial structure, employees' team work and supply chain management, are the key factors for the success of a SMB. All this is dependent on the business strategies and management capabilities of the owners in business, as the owner is the central pillar in a SMB and if he has the ability to link the internal R&D processes to the business strategies, gaining knowledge from the external market environment and technology change information, he can lead the business to an efficient growth path. Brooking (2010) concluded in her study that in an emerging economy creating IAs is strategically valuable and it gives strength to the company, so this should be the trend of any business. In their study Zaric and Tampieri (2005) stated that IAs play an important part in the early phases of the development of any enterprise or business such as planning, management, evaluation; as these phases need. As we can see that intangibles are the most valuable assets for a company's success, it is very important to measure and manage them. This research analyzes the contributions of IAs in small businesses and gives recommendations to the owners in managing and making a good use of these assets. More over it assesses the perceptions of the owners in terms of different intangibles, point out those assets which are more important in the success of a business and needs more management. This study helps the current business owners in a way that they can take their small businesses up to the level of a SMB, and it also has an importance for those people who want their businesses to succeed in different markets and industries.

1.4. Scope of the Study

There are so many businesses involved with the IAs nowadays. This study's focus is not only on the current businesses but also the emerging businesses because the

definition of intellectual asset utilization is expanding day-by-day. So the study's scope is broad and it is helpful to any kind of business in the market and industry who are involved with business assets. As a developing region as Peshawar is, it is very important for small businesses to accept the change in the market, only then they can reach up to the level of a SMB. So the scope of this study is to focus on giving a better understanding to the small businesses about the factors influencing the brand image, enhancing their importance, and explaining it to the management; so that they can reach up to the level of SMEDA.

1.5. Problem Definition and Research Area Questions

Customers are becoming knowledgeable because of the greater access to the information. SMBs are facing great competition in marketing and standardizing their products, and then to retaining the competition. If we talk about fashion business in Peshawar region, it is expanding on a daily basis. More and more shops and boutiques are emerging in the market place. Not only they are providing the good quality products but some of them are really successful in making themselves recognizable in other cities as well. The importance of this study lies in the fact that there have not been any other researches done specifically on this subject area related to Peshawar region. This study provides the information not only to the SMBs in fashion field; also recognizes weak areas of businesses in the same sector. As in Peshawar there are lots of small businesses so according to the sample chosen a survey was conducted. Owners were the central point of focus in the questionnaire interviews. The problem research questions related to the study are described as follows.

1.Question one. Owners of small boutiques in the fashion industry know about the Intellectual Assets or not?

2.Question two. What is the perception of the owners about IAs for the success of a business in fashion industry?

3.Question three. Which types of IAs are more important in the SMBs?

1.6. Overview

The study has the following sections:

Chapter two - Literature review. For answering the above questions a review of related literature is in this chapter. It sets the basis of knowledge in the related area of research and establishes grounds for a practical survey.

Chapter three - Research methodology. The research practical survey approach is explained in this chapter; also the procedure for gaining results and the use of statistical tool have been justified.

Chapter four - Data analysis, results and conclusion. The analysis of the results is described in this chapter which gives an idea about the answers to the questions which are described above. Also the conclusions drawn from the results are described. The answers to the research's questions are also explained through the researcher's point of view.

Chapter five – Recommendations. Finally the general recommendations are given for the owners, along with the special recommendations for unaware owners.

2. Literature Review

This chapter contains the related work done in past about intellectual assets and SMBs. Not only it provides the knowledge about IAs but it also gives a base about IC. The review also gives an idea about the contribution of IC in fashion industry. As the study considers small boutiques as small businesses so first this literature review sets the basis of knowledge about intellectual assets and SMBs, going towards the fashion industry's issues. Work from different authors has been referred in the area of managing IC in the same industry.

2.1. Small and Medium-sized Business and Intangible Assets

According to the early survey conducted in the Peshawar region small businesses are basically those entities which have less than forty employees. But in all over the world there are different businesses/enterprises which are measured on different criterion and come in the concept of Small and Medium Business entity. But typically in smaller regions, like Peshawar, businesses are referred as SMBs on the basis of number of employees they have. In their study Steenkamp et al. (2010) points out that a small business can be referred as Small and Medium-sized Enterprise (SME). Keeping this in mind, the literature review has been done from different studies related to SMBs and SMEs. In their study Durst and Gueldenberg (2006) highlight the meaning of IAs and state that, IA/IC are the assets which do not have the physical existence. In a report by Association of Chartered Certified Accountants (ACCA), Martin and Hartley (2006) point out that, different SMEs are of different nature that is why they have different IAs related to their internal processes and activities and depends on the nature of a particular SME. They further state that IA can be a great source of creating competitive advantage and make any SME unique among other businesses. In an another report of ACCA (2007) it has been noted that IAs are the source of competitive advantage of many small businesses but still there is not much research done on SMEs and IAs. In another ACCA policy paper (2006) it is listed that IAs not only includes brand reputation but also Intellectual Property Rights (IPR). In their study on the importance of intangible assets Rea and Davis (2004) highlighted the fact that an original benefit comes from IAs for example brands and the customer response in terms of it. Richard Hall, in many of his books and publications, argued that there are two categories of IAs i.e. IP and knowledge assets. IP are the property rights for a company while a company does not have the rights on the Knowledge assets. But Itami describes intangibles as technology, customer trust, brand image, management skills

and etc. So IAs are the invisible assets and there are infinite classifications according to different authors and researchers. In different researches IA are discussed with different fields such as accounting, marketing, HR, etc. According to Marr and Adams (2004), they have referred to the MERITUM Framework-2002 and stated that IAs consists of three capitals and that are human, organizational and relational. They are involved in any business, but as far as SMBs are concerned, in his paper on Global Journal of Business Research, Reynoso (2008) lists that, "amongst the most important factors in the performance of the SMB are the characteristics of the manager/owner, the specific abilities, knowledge and attitudes of the employees and managers, the relations established with the clients, suppliers and distributors, the knowledge of the market and its tendencies, as well as the reputation of the company and product" (p.54). So this study's research questions are based on his point of view. Also in his themed paper, Robert Watson (2010) establishes that if the owner / manager of SMB has better skills related to intangible assets management and he is motivated by them then the business strategies he makes are better and successful always. In SME depends on the skills of its owner / manager.

2.2. Importance of Intangible Assets (IA) / Intellectual Capital (IC)

Intellectual assets or IC are those invisible factors for companies which come from the mind or the intellect of its owner, managers and management team. We can find many different views by reading different kinds of literature. Importance of IAs has not only been defined in relation with SMBs but there are a range of studies and researchers done on different perspectives of intangibles. For example in a research paper by Bryer and Lebson (2003) it has been found that previously IP consisted of only patents, trademarks, copyrights, but recently the researchers have found that the most important are the internet domain names. They became important in the mergers and acquisitions for a business because in the process the owner should also acquire these assets legally and appropriate licensing should be done to use these IP. IP assets described by them (patents, trademarks, copy rights, domain-names) are not only a part of a merger and acquisition but they are also an important source of competitive advantage in any field of business. For example in their research study of firm diversification Malone and Rose (2006) asserts from the internalization theory that those firms which have distinguishing IAs can do the geographical expansion easily. Intellectual assets / capital have been researched, analyzed and processes and methods are implemented by different consultancy companies, accounting firms and etc; to give a better understanding of their importance. In an ACCA report (2007) Tony Cushing addresses to this and states that there are lot of opportunities in the field of IAs so the IP institutes and the accountancy firms should work together to recognize them for SMBs. They should guide SMB owners to hire specialists for

making themselves aware of these IAs and to direct them in this area. According to this report firms play a major role in economies and innovation should be the main part of firms to achieve success. Professor Dickson argues that there should be methods developed which can measure the value of IAs within firms, and strengthen them. Because for long-term success the abilities of owners, innovation processes and the profits linked with them, depends on the proper and better linkage of intangibles with each other. In many other studies it is stated that usage of IAs in an innovative and creative way to create value in a business is not so simple and easy. This issue has been addressed by many researchers that what type of intangibles should be protected by the businesses and companies. And then how the protection and management of such intangibles can help in the good and better operations of businesses. Product innovation and internal processes are the key factors for quality and good image of a brand, and these two in turn create value for a business. Effectively creating value can only be done by the better understanding, knowledge, usage and management of IC or Assets.

2.3. Market Intangible Assets

Market IAs are normally used in the marketing or promotion of the business. These include brand name, logo, slogan, trademark, internet domain name, and many more. Some of these market intangibles are purchased and some are created within the company. For example, a trade mark is the type of intangible which any company can purchase externally or can create within the company. But a brand name is a type intangible which is always created by someone within the company. Later on, if the owner sells the company, it's his decision that he sells it with the Brand name, or without it. In reviewing the internet news-websites and blogs related to the research area of this paper, the researcher has found out a good example of expansion of a business while dealing with brands in a marketplace. 'Gaga' a famous brand name is related with a pop superstar Lady Gaga in the United States and she is the creative director of her brand. In January 2011, an internationally recognized eyewear and electronics company, Polaroid, got bankrupted. Another famous company for brand development and licensing named Authentic Brands Group (ABG) came to know about this and the CEO of that company, Jamie Salter, purchased Polaroid. Later on, he made a deal between Gaga and Polaroid that the owner of Gaga had to design new products and also to lend her internationally recognized name 'Gaga' to the project. CEO of the ABG Company stated that they do acquisitions with big brands as the first move for their business, because they want their company to be called as a global life-style brand. In a study, on the importance of managing IAs, Brooking (2010) also promotes the idea behind the Market Assets. The author identifies them as those assets which give power to the company in the competitive market-place and these include the brands, company name, franchise agreements and licensing contracts. Kotler in many of his books also highlighted the importance

of IAs and stated that businesses can gain profits if they identify and assess their market assets properly. Market assets also includes IC and a business owner should choose marketing activities in such a way that they enhance the value of market related assets such as brands, customer and supplier relationships. By this we can gain the knowledge that IC also somewhat comes in the category of market assets. So if we take Fashion Industry as an example, these two categories of intangibles work together in marketplace. If we talk about creation of a Brand, it also is a result of a creative mind of an owner and it has design rights on it. So in short whether we call them IP assets or Market assets, they should be handled carefully in a business. And as far as SMBs are concerned these can help them grow bigger and stronger, and are the main source of gaining profits. Owners / managers of businesses are becoming aware about marketing related assets such as brand names, trademarks, publishing rights and they think that they should be recognized as well so that owners can draw profits and value from them. The authors further highlight the importance of marketing intangibles and argue that as these assets are directly linked with the customers so these should be of more importance to an owner, because no matter how good the production facilities and processes are if the customer is not buying the product no business can achieve success. When customers recognize the products, they buy, and only then a company gain recognition. So in short all this can be done by the marketing department. As far as the profits are concerned, one can say that these intangibles are those unseen value factors which are not on the balance sheet but they have more worth than physical assets. In the World's Financial Information section of MapsofWorld.com, a registered website of world news, it was stated that the Coca-Cola Company had seventy billion dollars in 2005 as its brand value, but it's not present in the accounting books. Customer base is the integral factor of this value. But then again customer base is also not a part of accounting books, in-fact the repeat purchase of the customers is the main asset for a company. IC such as trademarks, patent rights and copyrights are the basic IAs for Coca Cola, but they are not present in any of the accounting books either, so market IAs basically makes any company rather than physical assets.

Types of marketing related IAs.

- Trademarks, Trade Names, Trade-dress (Beltrametti, 2010)
- Brand Names, Websites (Brooking, 2010)

2.4. Brand – as an Important Market Asset

In his study, Keller (2000) states that the strongest asset for a company is its strong brand. Dyson (1996) also stated in his study that basically a brand is made up when its customers think about it. Their perception and understanding of the brand gives it a recognition and value. So that is why we can say that the base of the brand is customers thinking. According to McKinsey Quarterly the global consulting firm McKinsey and company gives annual reports of their

consultancies. According to them, big companies gain more than fifty percent of the market share from the IAs and among these assets brand value and image are the most important. In an era of great competition where products compete on quality and there are more equivalents present in the market related to one product, consumers make their choice of decision on the brand itself. Brand is becoming an important building block of competition for businesses in the market and so, brand management is also an important factor to consider in every business. It is the first element of recognition which enters in the market and occupies the attention of consumers. It is therefore very important for the smaller companies that they put great focus on the brand construction and on its investment. In a research study on brand management and SMEs, Guiling and Xiaojuan (2006) established that businesses have learnt their way to success and that is the development and implementation of a unique brand strategy and to promote it with a good advertising campaign against their competitors. According to Keller (2000), in Customer-Based Brand Equity model (CBBE), there are three dimensions related to brand management i.e. rational factors, emotional factors and customer-brand relationships. All these three dimensions are linked. Firstly the customer is satisfied with the usage, quality and value of the product; and these are the rational factors. Secondly he gets emotionally attached to the brand. In second stage the brand value plays an important role, because no matter the quality remains good over the period of time but if the reputation of the brand is damaged meanwhile, the value of the brand image goes down. Thirdly customer-brand relationship is the customer loyalty, attractiveness and attachment to the brand in the long run. All these three categories are described in the CBBE model in the course of brand management to set the basis of knowledge of these unseen forces behind the picture. The core requirement of these building blocks is through brand itself. And customer satisfaction and loyalty comes from a proper management of brand. In their research Martensen and Gronholdt (2006) has provided a practical application of CBBE model to focus on the importance and improvement of customer-brand relationships. According to their survey they found that the third stage, of CBBE, i.e. customer-brand relationship is the result of rational and emotional factors, and the rational path is influenced by the emotional path. It can be because of the fact that when a brand enters the market consumers already have more choices and brand has to deal with the competition. In this way consumers seek the differentiation factor in the product's features; which is the rational approach. So in a way we can say that brand image is made up in the first stage of CBBE model. Although sometimes in some product categories emotional factors maybe important. In an article by (Rea et al., 2004) the authors have suggested about the emotional factors and highlighted that in case of big brands consumers normally buy the product to satisfy the need of social status. So no matter whether it's the CBBE model's stage first, second or third; brand is the most important IA and their management is important in a way

that all the linked Market assets depend on the brand itself.

2.5. Relation between IAs and SMBs

In a research study by Hung (2007) the focus is on SMBs and supply chain and according to the author SMBs always find it difficult to make the right choice of investing in their business, especially when it comes to property and marketing decisions. If they invest rightly in these areas they can enhance their business's position to a great extent, also the assets can be expanded which promises the future profitability. According to him if owners integrate IP in the businesses they can not only make their company stand out in the market but also future profits can be gained easily. He further highlights that in return of a string trademark a company can gain a very prominent position in the minds of the consumers and make it attractive. So in short if the owners do investment in IP they are indirectly making a defense mechanism for the company against its competitors. In past physical assets were considered as the main source of gaining profits and running the business, but because of Information Technology businesses are now dependent upon the IAs for making themselves attractive in the market place. If we talk about the near past, companies had focus on being able to have much technological strong factories. But now the owners are thinking of more innovative ideas to attract the target market such as, creating powerful, attractive websites, marketing and branding strategies, etc. Nowadays because of greater competition in the market place, to achieve success SMBs not only should have the strong production methods but also innovation and creativity are the major parts to gain competitive advantage. IAs are the source of great success and can make a small or medium-sized business achieve success in a very short time. For any SMB distinctiveness is the key factor for gaining competitive advantage and IAs help them not only gaining CA but also they are the source of profits as well. There is not very much research done on the intangibles related to SMBs, so the owners/managers of any SMB needs to understand the importance, creation and protection of these assets. Each SMB has different characteristics and activities, so the intangibles related to it needs methods and processes different from the other. There are SMBs which completely depend on their IAs and the intangibles are the future returns for them, while there are other kinds of SMBs who make a part of a business along with the physical assets. But as these intangibles are the unseen ones so there is no proper method of handling developed till now. Most researchers and marketers have been working on different methodologies indirectly affecting these intangibles, and by that we are getting advantages indirectly to gain competitive advantage for the business. Intangibles are the ones which cannot be measured with traditional tools and techniques. And even if we measure them the results always come with a part of uncertainty. In a policy paper of ACCA (2006) it is clearly stated that SMEs normally gain 90% of the profits from the IAs but these assets cannot be recorded in the accounting

books because they do not fulfill the standards for them, but still they are the basic asset for SMBs to create competitive advantage. In doing the literature review for this paper, the researcher has found out that different authors (Thomas 2010, Cox 2005, Davis 2009, Howard 2009) have came up with different kinds of IAs for the Fashion industry SMBs. According to them as each intangible is related to the internal and external environment of the business itself so they depend on the nature of the SMB. Some SMBs need the brand name and logos to attract customers, while others need customer loyalty and relationships. For example trademarks, brand name, trade dress, design patents, copyrights are some of the customer related intangible capitals, which creates the image and value for a business. They way customers think about the Brand affects the value of these intangibles and if the affect is positive a business can gain profits without putting the cost on them. Similarly websites are those intangibles that attract customers towards the business, and it is a very essential component of any SMB if we talk about Fashion Industry. Customers can gain access to the website and build relationship with the company in a positive way and we can deal it easily from within internal environment. If we talk about brand value for a SMB, licensing is the way to gain control over quality. By gaining this kind of control SMBs can easily gain trust of the customers. In a Fashion SMB, the boutiques normally have their own designs or products. These products are also intangibles in a way that they are the creative work of the employees/owners. These kinds of IAs are known as Proprietary assets and they give uniqueness to the business and target a specific kind of customers. The creative work related to Fashion boutiques is always the industrial designs, patterns, drawings, sketches, etc. there are quite lot of SMBs who do not create their products themselves. In Peshawar region, the fashion boutiques are mostly linked with the suppliers in other cities. These boutiques can be called as Retail stores. These Retail boutique stores have their products from a fixed location in any other city, or within the city sometimes. If we talk about Retail stores the valuable relationships with the suppliers are the most important IA. These communication intangibles include the contracts with the suppliers because if the relationships are good with them, the business can achieve low price advantage for supplies. Also for a Retail Boutique, considered as a SMB, the communication with the suppliers and the trust factor plays an important role. The suppliers should have a clear picture of the owner's ambitions and goals so that they can know that the business can make profits and it can sell their product in an efficient manner. Mostly in SMBs the IAs are in a group and they are centered on the Brand name because a brand gives a description of the product to the customers and represent the idea behind it. Brand is itself a combination of what the consumer feels before/after buying the product and it is the foundation of building a good customer relationship. The good customer experience not only enhances the repetitive buying, but also the image and value of the brand itself. The brand not only influences the customers, but also is important as a centered

theme for employees as well. When we talk about Retail SMBs, the suppliers' relationships are also influenced by the brand image and the product it is promoting.

2.6. Owner's Role in SMB with Respect to IAs

SMBs are the major source of economic growth as they enhance development in an economy by value creation and employment. Also as they play a main part in supply chains, few of the barriers they face are thus removed by the supply chain process. As a general perception in fashion industry SMBs are now considering specialized products as the means of prosperity. Most of the SMBs related to this industry prefer to be retail outlets and they buy from other businesses that are popular in some other city. In SMBs IAs regularize processes and procedures, and if dealt in a proper manner they can be success factor for the business. A SMB always requires a competitive edge, which can be gained by the coordination and efficient management of processes and procedures; and the execution of principles and values within the internal environment. In his study, Reynoso (2008) promotes the idea about the IAs in SMBs and the owner's role. The author defines the concept of leadership that a leader which has defined goals for his business and motivated towards the mission and vision of his company, only then he can gain cooperation of his team. The author is clear that when the owner/manager knows how to deal with the business's assets only then he can move forward with his team and make his business successful. So it can be said clearly that Owner or Manager of the business is the central theme for any business. So it is very important for SME managers to understand, identify, and manage intangibles in a proper way. Unless and until the manager does not know the importance and value of handling these IAs the value for the business cannot be derived from them. In a report of ACCA (2007), Leonard answers the question that how SMBs can make use of intellectual assets. The professor addresses that IP protection system is the most important for the management of IAs but still most SMEs do not have the proper knowledge of it. He states that IP system includes patent rights, copyrights, design rights and trademarks, and if the SMEs gain the proper knowledge of them they can gain competitive position easily in the marketplace. According to this report, SMB owners should be educated enough to handle the IP / assets. There should be awareness to the owners and managers about the usage of these intangibles, training sessions are also necessary for the management team and employees. In this way they can handle risks and opportunities in a better way. Owners should know about their rights related to their businesses and to also use their rights in a proper way. There should be a training session or owners as well in which the usage and advantage of IP system or IAs protection and usage should be elaborated for example securing those assets which are the form of their businesses to operate. Also the business advisers, councilors and accountants, all hired for the management of the finance issues, should also be familiar with these intangibles so that

they can recognize the importance and contributions of them at the right time and can use them in a right way. By this we can guess that after the owner sells the business, he has still some responsibilities to make about transferring the intangibles to the new owner. Some owners think that they can easily transfer these assets, but the truth is the whole process can be tricky and difficult if he does not have the proper knowledge of these assets. On the other hand, if the buying party is strong enough in this field of study, the owner can lose his business valuable assets without the required portion of amount for them or he can face fraud. So many studies and researchers have given the guidelines of transferring these assets in a proper manner; there are recommendations and strategies given for both buyers and sellers. These strategies are always preferable to be handled by a business adviser, so that if owner does not able to understand the technicality of the situation, his counselor or adviser can do this for the business. Those assets which are already strongly built in the market and they have clear image in the mind of the customers, cannot be problematic in transferring, because as they are the source of competitive advantage and business earns on the basis of it. In that case owner is much aware of it. So the basic idea behind transferring these unseen assets is that the more they have strength and value, the more they are easy to handle and gain advantage. But for strengthening them Owner is the central character who can play the part on his behalf and also can take his team with him. When we talk about strengthen an IA, there is much debate on this issue in many studies. Because as they are the unseen ones so not many of the SMBs owners or managers can properly handle the strategies suggested by different accounting and consulting firms. The main and basic techniques are that the business owner should formalize them. There should be documentation processes involved always, registered trademarks. These all are those issues which do not have any physical existence that's why they do not come in the mind of any manager or owner at the start of the business. They are always putting more efforts and resources on the physical assets. But as many of the researchers suggested that along with physical assets, IAs can make a business successful and for a SMB intangibles are the basic success factors. IAs are more important for SMBs rather than big businesses. They can have positive results for small creative firms and companies and enhanced awareness issues can play a great part for the SMB owners' management. In the synthesis report of OECD (2008) it is stated that emerging creative firms and businesses should integrate IP as a guarantee to obtain profits if they are not able to gain them by their physical assets. But for this purpose there should be a proper guidance system for them, which is given by policy makers and advisors. This awareness system can be a great use for small businesses. So by all of the researchers done in past it is quite clear that the high growth of any SMB is dependent upon the behavior and knowledge of its owner. And with time it is very important for him to change the behavior and practices according to the external environment as the market is becoming competitive

day by day and new techniques of attracting customers are being introduced. Change in owner's or manager's behavior means the employees training, the number of employees, the skills they have or changing the customer relationship creation methods. Also introducing new promotional campaigns and specialized products comes in the behavioral changes for the owner, but as we are talking about intangibles, so all those things which are directly related to the business and cannot be modified directly are the most important ones to consider first. Owner's leadership capabilities play a vital role in responding and gaining growth. In many studies creativity and growth for a business are inter-linked with each other. It means that they both work together so that the firm set up a creative technique in a business process and it is the main cause of growth. In the synthesis report of OECD (2008) it is stated that the abilities of the management is a main factor for the SMBs if they want to be innovative and keep growing. For SMEs the problem always occurs in the human abilities rather than financial aspects. If SMEs do not consider this issue they will lack in the marketplace because as it is seen that many of them had the resources but they failed in the market because they lack in the ability to make those resources and ideas in a strategic management process. It can be said that if SMEs use the IAs for creating value they can not only move in a right direction but also gain attractiveness for the customers. In his research study Robert Watson (2010) claims that "the management and better exploitation of intangible resources is most likely to be a priority only for SMEs that have to fundamentally alter their strategies and management practices as a result of growth and/or life cycle changes" (p.137).

2.7. Protection of Creativity in Fashion Industry: Issues

In his study about IPR on creativity in fashion industry, Christian Barrere (2007) has given a lot of information on the issues related to the protection. The author addressed that creativity is the main resource in the world of creation and innovativeness. There are other inputs in the fashion clothing industry which are also the main parts of any outfit such as the cloth itself and the thread work but the main factor which influences all of these is the creativity itself. He further argues that the merit for other variables in an output is also increased by the help of creativity but creativity itself is the factor which does not need any other factor's help. By this we can say that whenever there is creative work and unique ideas there are always protection issues involved with them. If anyone has the protection rights enabled on their work they can control any means of access to it and can have payments in return. Everyone has the right to get profits from the idea generating from their minds and without these protection laws and rules nobody is able to get them. Gaining recognition is always the good thing for an artist for his art work, but if he can earn by his work and idea then there will always be a motivation factor. Unless and until there is not motivation people cannot work for long in their lives, and at

the end they stop the work they do. In fashion industry Culture is always considered as the basic input for the production and creative process. Barrere further establishes that culture is always involved in the fashion field which means that whatever is created in present will be inspired by the past creations in the culture. Also he states that creativity can be in any area of a business or a company including its management or products. Here it is clear that creativity is part of the fashion industry in every way, whether a designer is introducing a new design or starting a new business. Managerial creativity refers to the processes and activities related directly with the company, which includes the decision making ability, employees' and owners relationships, suppliers and retailers communication processes. Barrere strongly argues for the IAs rights protection and states that by gaining the protection it create a balance in the demand-supply of products, gives the fashion field a recognition, creativity gets credibility and creative fashion works also gets legally protected. The author has used the term sign-goods which refers to the products and services having trade-marks, registered brand names, logos, slogans. He further establishes that creativity is of a strong value and it has to be protected and saved, and by doing that it will provide a competitive edge in the marketplace. From all this it can be interpreted that in the creative industry Fashion is normally referred to the clothes in most parts of the world.

In Pakistan there is not much IP protection rights for Fashion or people can have ways to overpass them, but designers and creative people in Fashion Industry keep working on in their businesses and making quite lot of money in this segment. John R. Thomas (2010) describes IP as the creative product resulting from one's mind and which should be having the legal rights. According to the author the protection can be categorized in three laws and that are trademark, patent and copyright. But in Pakistan, even without these laws for the rights and protection of creative work, the industry is blooming day by day. For larger Brands in Pakistan the issues are not so much complicated, because big brands and designers know quite lot about the IPR and they have already implemented. People cannot copy the exact design for that matter, but still copying the design to some extent is not much of a problem. Renowned brands have already made their value stronger in the market and money making is making them stronger. But if we talk about small and medium emerging boutiques in Fashion Industry, they are still struggling for making their brands and names stand out of clutter in today's competitive environment. The owners of big brands might know a lot about the IP right issues and they know how to work with them and make money with their IAs, but the owners or managers of SMBs in fashion industry are not really taking advantage of the IAs they have. The reason is because they are putting more efforts in the products and investing more in physical assets rather than intangibles. An international organization named World Intellectual Property Organization (WIPO) is a part of United Nations (UN), whose aim is to educate people around

the world about the intellectual issues and rights, and to balance the system. It has a monthly international magazine, named WIPO, which update readers about IP related activities about creativity. In the issue of June 2005 a column was published on the IP issues in Pakistan. It was based on the case study of Aisha Amjad from Small and Medium Enterprise Development Authority (SMEDA). The column points out that Brimful Designs (Pakistan) a Lahore-based textile company was the production company for Yahsir Waheed designer lawn label. Not only they were the producers but also were doing the marketing for the company. In 2003 it faced a great copying issue. There were copies of the same designer lawn in the market but with different labels and cheaper price rates, which left their customers confused. Because of this the company faced a great loss of market share. In an IP seminar by SMEDA, brimful designs contacted with local IP professionals and since then they have all their designs registered under one label, which not only made them legally protected but they have the surety to sue the owners of the copied products if they find any in the market. Now there are not the exact copies of their products in the market but still somewhat the designs are there to confuse the customers. From this case it remains an issue in Pakistan and it is clear that it is a lengthy route to gain complete and enhanced IP protection for the fashion industry. The scope of IP protection is expanding in other countries. There have been introduced patents, copy rights and trade-dress issues for protecting one's design. Patents are used in varieties of businesses. Copyright issues and protection time has also been extended. But in Pakistan fashion industry has not been completely equipped with these protection rights for their work that is why the copied designs are common in this country. Clothes, with creative designs of emerging designers, are the useful source of making money. Patents can protect attractive designs but fashion industry hardly uses them. Trademarks can also protect the designs as well the name of the brand, related logos. These protection rights enhance the creativity of future designers because they will know that they can have forceful effect on the market only with their brand name. By introducing these kinds of protection rights not only competition enhances in the industry but also the prices of consumer goods boost up which can be a benefit for the owner or company as well. There are design elements for example the color, style and other things related with the clothes; and not only the clothing elements but also the logo and the elements related to it (for example color of the logo) are a part of any Owner's creative work as far as SMB are concerned in a fashion industry. So emerging owners can have a benefit from each and every element related to their businesses. Also there are few owners of SMBs who invest in the fashion business but do not get luck in the start in the creative side because of the tough competition in the market and the big brands in the industry. So they can have payments from these elements for a while in the few starting years. There is a concept about the IPR issues in fashion industry which tells us that without these rights and

protection available to designers and emerging artists, they will not be getting motivation and at the end the creative work will diminish. This is a continuous debate that what should be the best possible level of IP protection rights in Clothing SMBs because in fashion industry existence of these rights nourish the creative processes and prosper the industry. If they do not exist people can easily borrow, copy, renew, and share designs without the worry of IPR because it gives protection to creative designs through copyright, trade dress, and design patents but because of the limited rules and rights, the designers think that their work is copied within weeks or days. This thing more has the influence on the young designers who want to make a reputation in the market but they failed to do so because others can easily copy their designs. Copyrights, trademarks, patents, trade-dress and brand issues provide protection for branding, and new creations. In their article Professor Raustiala and Sprigman (2006) argued that when the clothes communicate the value of a status, only then status-conscious customers are attracted towards them. But because of copied products customers have gone towards the cheaper products. The market is divided now and the clothes which were known as high fashion are now also bought by the common general public. The fashion retailer outlets can work freely in their retail stores and do not have the direct competition with the big brands. But still, in the retail boutique industry there are lots of issues involved in under developed cities. Other retailer outlets' owners start their own private labels or brands, which are manufactured and marketed by the owner itself. These private small or medium-sized businesses known as Retail Outlets (or boutiques) are becoming famous because of the greatly copied designs of famous designers. In his study, Howard (2009) highlighted the importance of trademark and stated that "trademark is particularly important to fashion labels, as it protects designers' most important asset; their brand. Trademark is most frequently used in the fashion industry by the placement of logos on a label or accessory, though occasionally the mark is worked into the aesthetic design of the item, as in the case of the Burberry check or Louis Vuitton monogram print." The author further challenged on the fact that, "knockoff designers do not consider themselves part of the 'high fashion community' and therefore have no reason to submit to its community norms. Nor are knockoff designers induced by the same incentives as major designers." Here by 'knockoff brands and retailers' the author is referring to those retail outlets, which are not only copying high designs but also giving them with low prices. The main issue here is that big brands cannot control the copying of their original designs, but they do not have the problem with the image of their brand in the market place. The problem arises for small emerging designers because as the author said that the knockoff brand should also be rewarded for the precision with which it is copying the design. So if these small brands make themselves protected as well by the means of trademarks, trade-dress and design patents, not only they can be in fashion community but also they can have a good

reputation in the market place. Further he argues that, "even amateur fashion-followers can identify 'luxury' goods with glued-on phony labels spewing forth from garbage bags as counterfeits. In contrast, knockoff fashion which copies the style but not the label of a runway design might seem like a harmless imitation of a trend." Barrere defines piracy and states that it is the form of illegality when a company copies the design or the product and sells it in cheap rates. Further the author has also concluded that in this age of competitive fashion industry and clutter there is very little chance to identify a copied product, and it becomes more difficult when a designer is following the cultural patterns. Nowadays the designers are normally projecting the trends of past and on the basis of it they create new products. So in a way copying is getting a proper systematic path and people are unconsciously and unintentionally doing the illegalities. And further in his study the author gives a reason to be socially reputable business owner by stating that to make a brand stand out it is important to create its value in-front of the customers, which not only enhance the customer relationships but also make the business distinguishable among other businesses; and it promises a strong future for the brand itself.

2.8. Fast-Fashion Concept

In SMBs of fashion industry the concept of fast-fashion works a lot for new designers. In fast-fashion retailers copy the designs of big brands and designer names, and capture them in their stores as early as possible. It is delivering designer product to a public at low prices. These are the clothes and designs based on the recent fashion trends. Retail designers/suppliers design and manufacture them as quickly as possible so that consumers can take benefit from the recent trends in clothing at lesser price than those big brands. But as few authors said that copying is not bad for Retail outlets as they are also protected with their own brand names and are registered trademarks. In US this concept has made small retail companies to gain success in the market more than designer brands. One of the best examples of fast-fashion retail outlet is Forever 21 in US. According to the famous news website for retail department stores this outlet was opened by a Korean immigrant Don in 1981. The owner of the company says that its designs are not copied from the fashion designers but instead they purchase inventory from different suppliers. Now if the suppliers are copying from the big designer brands, Forever 21 had made itself clear from the start that it's not into the copying business. Also they have registered themselves, which has made their reputation good in the market. Even in the fashion media in US fashion shows, this company's designs are very popular for the similarity of their designs with low price rates. The designs are also a part of features and columns in famous fashion magazines in the US. Fast-fashion retail concept has greater influence nowadays on those stores who are long-established in the areas. That is because they have now access to the most trendy and up-to-date designs easily and

they can make big money with that. The basic reason behind the copying designs is the internet. Howard (2009) promotes the idea by stating that websites give all of the information to everyone so that they can copy easily. Not only the picture of the design is available but also the assessment from different fashion shows is also provided which makes it easier for anyone to take advantage of the critical comments. Internet provides exceptional and quick retrieval to photographs from fashion shows. There are different kinds of websites which are publishing the fashion shows photos and not only those but big brands, labels and designers now own their own web page on the internet. Within a day smaller boutiques and retailers can copy anything from them and sell in the market. These websites not only shows the photos of the ramp modeling but also, as a part of online selling services they give the details about the design such as fabric, cuts, threads, etc. it is becoming easier and easier to copy the exact design with the exact fabric and art work. In the study of Howard (2009) a copied fashion-manufacturer's interview has been referred and it is stated that when she see a new design on a website she just e-mails the picture to her factory. The copied production is delivered to the outlet before the actual release of the original brand. Fast-fashion can also be defined as a newly created concept in which there is short production and distribution time and the retailers provide fashionable trendy outfits to the public. Although the practice was already in the market few years back, but recent continuous changes in fashion industry this idea is blooming day-by-day. The short production time in the concept is the matter of easiness in SMBs and the short distribution time comes with those retail outlets who are importing from suppliers. Suppliers need to distribute goods as soon as possible to the retailers before anyone else in the area or city started marketing copied designs. Owners / designers of small and medium sized businesses in the fashion industry create trendy designs by examining the market and by contracting with a good supplier. As they are also giving trendy products, but because of non-registered brand names these retail outlets cannot charge as high for their products as the big brands do. The concept of fast-fashion if utilized in a proper manner with intangibles issues handled in SMBs, it can have a great advantage for them. In this concept of fast-fashion those retailers who copy the design as quickly as possible always have more value for customers in their stores or outlets. This quick response to the market and consumer behavior leads to good selling prices, because as not any other outlet has the designs as yet. In their study, Cachon and Swinney (2011) promotes the idea that a firm should have fast-fashion concept because it not only gives the competitive edge in lesser time but also gaining high percentage of less affluent consumers becomes possible, which leads to greater profits. But if a firm wants to gain these advantages it has to be very efficient regarding the production and operations, because as the name says the faster the production is in the market the more chances of attracting customers. Describing the fast-fashion concept Gallagher (2008) argues in a case study on Zara Company that it always creates designs

according to the consumer demands. They first generate present trends of what the consumers buy in the market and then the future trends, and on the basis of this they create their products. Zara never followed the fashion shows' trends. Also the author promotes the idea that the main factor behind Zara's success is the fast moving of their products from the factories to their stores. So the concept here is clear that fast-fashion needs the quick production process and the quickest delivery of products to the fashion outlets. The owners (designers or creators) of small and medium-sized companies / businesses in fashion industries should be taking risks in production, distribution, innovative product ideas and the use of IPR. Because by intangibles protection not only they will introduce innovation in the industry but also the young designers are able to make their names stand out in today's competitive environment. Because copied products not only stops the variety and uniqueness in the industry but also produce those trends which stand out and dominates the market because they are considered as a fashion. SMBs need creative trends to generate rather than these kinds of trends. Howard (2009) addressed in his study that handbags are the symbol of social status nowadays and they are also exposed to the copying issue greatly. It means that whether a copy of an original exists or not, status-conscious consumers always prefer a product with a registered brand name. No matter the product is somewhat a little counterfeit of any big brand; it will still hold some value in the mind of the consumers. If we talk about big brands one study suggest that no matter how less they make profit in the market, or in one fashion show, they still have a quick business value even with a lot of copies of their designs. Howards argues that copied items can only attract less affluent consumers but copying also gets in the way of innovation. Consumers with good tastes can always point out a copied version of a product, because they can know that a high big brand's design cannot be wore by someone from a less affluent background. Because of less intangible protection rights in fashion industry most of the areas in smaller cities are not providing the unique and original designs to the consumers. Those designers who create new and unique designs were able to attract consumers but because of the copied versions in the market their ability is getting weak day by day. So it is important to introduce IAs in fashion because as Howard (2009) also highlighted in his study that "by providing a short-term form of protection that designers must opt into, we would protect the burgeoning creative voices of young designers while still permitting trends to take hold and percolate" (p.131). Without the trends which these copied designs introduce, the fashion industry will be more diverse and emerging designers of SMBs will also be putting more efforts in innovation, which in turn will give more creative market. Rivals of these IAs protection rights in the fashion industry always say that these regulations and laws will destroy the ability of the industry to produce new and better trends and also that consumers do not buy a good if it's not in that trend. But the truth is that many emerging designers and owners of SMBs introduce broader trends in the market with different

colors, patterns and designs. These intangibles also bring out a wide range of innovation and creativity by allowing low-end designers to invest in the creation of a design rather than in copying. The diversity cause by this new trend will make a purchaser inspired by the uniqueness and variety of designs rather than fed up by the same designs in every retail outlet.

2.9. Intangible Asset Protection: Fashion Industry

From the literature done for this study there were five types of IA protection measurements that came forward for the fashion industry and with whom this study will deal. These are as follows;

1. Brand
2. Trade mark
3. Trade dress
4. Copy right
5. Design patent

2.9.1. Brand

Some businesses design their products to copy a big brand with a little difference in it. Sometimes these are the look-alike products and no one can find any difference in them. These products can have different forms but differences can be pointed out easily if one has the knowledge of the big brand's logo. This activity of copying branded products is a very common issue in Pakistan and it also has impacts on the economy. In copying of a brand there are two kinds of activities involved, one is copying the products of the brand and the other is the copying of the activities or similarities in the marketing activities. But however the small emerging businesses do this practice the impacts are the same and that are they both are the helping factors of each other and both run in a parallel direction. Not only they have socially and economically bad impacts but they also have damaging effects on the big businesses. Big brands are the main reason of the economical growth in our country as far as Fashion Industry is concerned. They bad impacts are also on the consumers, they not only get confuse but these copied products give them an option to choose a same look-alike product, which is an illegal activity. In the study on the importance of brand value Howard highlights that big fashion names always compete by their brand name. A good example the author gives is of Gucci. According to the author if a new company wants this type of recognition in the marketplace it has to gain it not only by creative designs but to promote them with a strong brand name. Consumers select a product on the basis of the brand and it gives a complete idea of what the business is offering, so an emerging designer's first step is to create a distinguishing brand name in order to promote the business. But this first level is always sacrificed because of the copied products of the same designer. At one hand it is a better way for the promotion of a new label but it also plays a negative role in the minds of the customers. So in short new designers and creative minds always face trouble because of the copied

fast-fashion outlets. By this the author is quite clear that big brands have based their businesses on their brand names, and the main asset with which their business revolves around is the brand. They have their competitive edge over their designs and unique ideas. These things give trustworthiness in the minds of the customers in long run. At the start every designer has to face mistakes and loss but in the long run their future is safe. If new small designers want to achieve success in the long run, they have to recognize themselves. If we go in details of Fashion industry, in the time duration of a year, not many designers provide completely different clothes from each other, but as they all have their registered brand names no one can lose the reputation in the market place. If an emerging designer wants to make his business success the first thing to do is the creation of trustworthiness in the minds of the consumers. No matter if there is a little bit similarities in the designs with the recognized brands, but with marketing activities it can achieve the reputation on the first hand. The first step in this industry is that the new designers should create a particular image in market that should give the consumers an idea about their clothing line. The image of the brand should be clear. But this process is always gets delayed because of the copying issues. Even if they start making their efforts on their brands they have to compete with the copied items of low prices. Howard further give an example of Polo Ralph Lauren and states that the label had around two billion dollars revenue from the physical products but five billion dollars revenue from the products which are licensed and registered. By Polo's example it is quite clear that whether the products are from any category the registered and licensed products have not only the impact on the consumers but also on the businesses itself. They can generate much profit for any owner. If products are advertised in a proper way and have the media coverage, they leave a good impact on consumers mind and also the designer has a better branding opportunity to get benefit from. In a research study on 'Copying' issues several case studies, of big brands in UK, have been assessed and it is addressed that copying can affect a brand greatly by reducing its status and impression in front of the customers. Not only it affects the reputation of the brand but they also lose their uniqueness. In UK 57% of the general public sector has this belief that big brands lose its attractiveness because of copied products and 62% of the regular customers of these brands have the perception that the brand loses its credibility in their minds. The study concludes that if this issue is not taken seriously it can have negative effects on the economy as well.

2.9.2. Trademark.

Trade mark is in a direct relation to the brand and has a great importance for fashion designers. It is used in the fashion industry by means of placing logos on a product. It is a very effective source of protecting any kinds of products including clothes as well. The advantage of trademarks is that they are easily available, means that designers have to create a unique feature of their marks and use them in their

business. The necessary uniqueness is easily achieved by any creative owner if the mark is distinguishing or it has individuality so that it can take a secondary meaning easily in the market. Secondary meaning is made but the usage and help of relating the mark with the brand. Cox and Jenkins (2005) describe trademarks in their study and state that these are the symbols which are used to identify the foundation of any product in a market. The authors further highlight that importance of trademarks and say that they can be used as an important factor of consumer's protect-ability demand. But later they point out that Trademarks can only protect the relation between the product and its base. While copyrights and design patents can be used to give protection to the product itself, trademarks can be created for the copied products as well. Means that if an infringing company creates its own trademark for its products then there is no way a customer can distinguish it. But according to law, if a product takes protection of a trademark it has to be distinguishing among other products in the market so that customers get the idea by just looking at it. If a company wants to be registered, it can create a random, unique mark or design which can get easy registration. If a company wants to be registered with an elaborative type of trademark then it should be having a double meaning so that it creates a unique image in the market. By this it can be said that trade mark can be anything that is a unique and distinguishing feature of a business and an owner can register it as a trade mark. A good example is of Levi Strauss as the logo on the jeans pocket is its registered trademark. But this protection is only for the pattern itself and it cannot be applied to the design of its jeans. So in short we can say that trademarks can prevent copying of a product or production of a specific good but it cannot be solely used for the design itself. Howards (2009) addresses an issue in his study and states that it is not important to make a trademark legally registered that is why trademarks do not always promise protection for small brands or businesses. It is be checked by authorities that what they claim is true or not. By this it is clear that trademark can be faked too sometimes. Christian Barrere (2007) in his study suggested a good direction for the new business owners to base their business on a trademark. According to him there are two types of IPR. First is known as personal IPR which is the link between the product and the creator's name, second is known as market IPR which is the relation between the product and the company name. The author suggests that emerging business owners should start from the personal IPR and move towards the market IPR which then creates a linkage with the trademark itself. This process will promise the designer a long term success and recognition for his brand name.

2.9.3. Trade-dress

Trade-dress is basically the expansion of the trademark concept which has been recently introduced for the emerging businesses. It can be referred to the designs of a brand as well as the complete image that a business, brand or a service portray to the consumers. It is a unique distinguishing

product or a service, or the packaging of the same product, for example the curvy bottle of a coca-cola. The origin of the term trade-dress is basically related with the product packaging in physical things but the scope has expanded in past few years in a way that now it includes the complete image of a product or a service or even an outlet. It can include the features such as unique designs or logos, symbols, brand names, colors, color combinations, graphics, or it can also include marketing, promotion and sales techniques for a retail outlet as well. Most of these trade-dress are always unregistered which needs to be registered. Owners do not know their importance. In US, trademark rights with respect to trade-dress are under the state law for those products which are used in businesses. The rule is to register any product involved in any kind of business activity, with United States Patent and Trademark Office (USPTO). Without these rules anyone can copy the trade-dress from a successful brand. A good example of trade-dress is of the famous brand Louis Vuitton (LV), which had a trademark lawsuit with the company named Dooney & Bourke (DB) and got defeated in the process. The lawsuit was about the mark used by DB on their purses, which LV claimed had the similar one on their products too. Another example is of red shoe sole by a famous shoe designer. It was famous in the market among the shoe consumers, but then another designer created a similar shoe which was the exact copy of the previous one, the only difference was its orange sole. Trade-dress protection gives owners of businesses a great practical benefit over their businesses. Thomas (2010) argues in his study that owners having a distinguished features related to their products should protect them by registering the product's trade-dress. It not only reduces confusion but also retain the distinguishing factor of the product. But further the author addresses that there are some limits to the trade-dress protection and that trade-dress cannot be applied to the main functionality of the product because if one can protect the functionality then it will reduce the chances of a competitive environment. Beltrametti (2010) in a report on the design piracy issues also established that if an owner wants to get a trade-dress protection, his product should be of no functional usage or the product itself should be a creative, art-work only.

2.9.4. Copyright

In his study, Davis (2009) promotes the idea of copyright that a product can be protected by copyright if the unique characteristics or design of it can totally be divided from its functional use. This product can be any art-work in any form, whether a picture or a physical thing. It means that any print on a clothing piece can also be protected with it. Anyone can have the protection of copyright violation for a copied outfit or a design. But it is seen normally that fashion designs are not majorly protected with these copyright laws and regulations. In a research study Cox and Jenkins (2005) addressed a fact that fashion designers have always used copyrights protection for their designs but in fact as clothing also provides the functional usage, they cannot come under

the copyright protection law. Designers always gain these rights by putting their clothing designs as the art-work. The author then clear the fact that it should be kept in mind that if copyright cannot protect the clothes overall but still it can give protection to the unique and creative elements that are incorporated within it, such as the colors, color combinations or the thread works. From all this review it is quite clear that if outfits cannot be copyrighted then their design and the thread work on the surface of the clothes can be considered as individual art work and can have copyright protection. Further the authors give a good example of it and state that the print on the cloth, knitting patterns, laces and threads and thread works are the elements which can be protected with the copyright law. But then the author challenges to the fact that even by protecting these elements copyrighting provides a kind of protection which is not that strict. At the end, author concludes that as clothes provides the functional benefits too so overall they cannot be subject to this protection because of which most of the fashion designers are now taking protection measures from other types of IP for example patent design.

2.9.5. Design-patent

Patent is a traditional method of giving protection to physical products and IAs. It gives protection by the means of utility patents to businesses and brand assets. They can be used for unique processes, products, services, or in fashion industry field they can used for the design, colors or the combinations of colors or materials involved. In the issue of WIPO (2005) it was reported that this protection is not normally considered for the fashion industry but if it is taken seriously it can attract investors in a way that patents give protection to a technical feature of a product, which is normally an attraction for the investors. Technical feature can be a creation of a unique design in the industry for a cloth and can be done by a good technical and industrial process. Investors always choose those companies which are string technically and have latest and up-to-date production facilities. Design-Patent is basically the expansion of the patent itself and gives the protection to attractive and unique elements of any creation by an artist. Silvia Beltrametti (2010) also promotes the idea that by gaining the protection of design-patent it gives the owner / creator the benefit for its creation for fourteen years. In US law if a designer or an artist invents any new, original and unique design or idea for a product, service or a business; to be manufactured by the company, it should get the protection by design patent. This protection right is created for the ornamental element of a product and which is also separable from the function of the product. In fashion industry the designs are the main item of consideration to get protection under design patents but originality and innovation are the key requirements for getting design patent protection. In the fashion industry they can be the main source for the designers to gain protection over their designs, but designers face lot of difficulties in handling these design patents because attire designs changes from era to era. For example in US, bell bottom pants had a

revival in 1990s with a new name that is boot cut pants. So according to US law design patents could not be issued for them. The case is same in Pakistan as well. If clothing designers introduce a renewal of a past design or attire, they cannot have protection over it from a design patent. So in general, people in the fashion industry have not been that much lucky for getting the benefit of this protection because of its persistent nature. A good example of design patents have been stated in a study by Cox and Jenkins (2005). The authors addresses that shoe designers have always used this protection for their athletic shoes designs even when shoes can also provide the functional benefit, but still they cannot be legally protected overall as the court has not made it legal yet. So it is clear that a unique product when meets uniqueness standard, it can easily get a design patent protection. Thomas (2010) argues that design-patents can be time consuming and also have greater costs, which can lessen their way in the fashion industry as far as young designers are concerned. Also clothing designers are not really interested when it comes to the costs issues. The author also highlights the issue that this protection is similar to the copyright and trademark law that the functionality of the product should be remained aside from its uniqueness. By the literature of various studies from different authors it has come to the focus of this study that design patent is never issued for the design which is created for a functional or a practical usage of a product. The design can have a useful function but it should be the result from the exterior of the design itself. So this protection right is not easily obtainable to give protection in the fashion field because clothes provide a functional purpose too, although we can detach them from the creative factors but it is still difficult to protect the main concept of a clothing element.

Clothing is the main feature of a cultural difference around the world and nowadays clothes are more artistic than functional. Clothes have shifted themselves from a functional product to big brands and clothing lines all over the world. They are now classified, characterized and also have different logos and trademarks to give them a unique identity. Not only they have changed their idea of existence in the market but the assets related to them have also changed from time to time. If we go in seventies, the logos of clothes were inside the collars in a hidden way. Also the tiny logos of the brands were present on the outside of shirts, for example mostly on the suits of sports persons. But after few years this style became popular for general public as well. The good example is of Ralph Lauren Polo, the horseman was out in front of the shirt's pocket. So if we take this example it is quite clear that as soon as clothes became the centre of attention in public and consumers started thinking them as a status symbol, logos and brands were the main source of identification for them, whether they are used or displayed in any fashion or manner. They provided the means of status in those times and even now are the status symbol, and also give an idea about the pricing of a clothing item. So the basic theme in fashion industry is to create a unique and distinguishing logo for the brand itself and then to do great

marketing practices for its publicity. Only then a SMB owner can save his long term future success for the business. In recent times the logos/brands are becoming so popular and meaningful in the minds of the consumers that the functionality of the clothing is getting weaker. People prefer to buy brands instead of clothes. Logos/brands not only becoming their own identity, consumers take it as a fashion accessory but they also raise a brand in a successful manner. As far as SMBs are concerned in the fashion industry, an article by WIPO (2005) magazine explains it quite clearly that how much branding and trademarks are important nowadays for a business. The article reported an example of an Italian clothes company Pickwick and stated that in start the company had only a registered trademark sign especially targeting teenagers, not only they targeted their market by their trademark sign but also with their outfits. They were giving an image of trendy outfits for teenagers and kept their prices low. According to them now the company has achieved the role of making its value in the mind of customer and they are just focusing on their marketing and managing their trademark logo. In short this company has used a great use of the trademark and made a successful fashion business.

After reviewing the literature, the questions came in mind that in Peshawar to what extent the owners of small boutiques have the knowledge of these IAs, what is the perception of them, and what can be the important intangibles for the success of Fashion clothing boutiques. Next chapter provide the research methodology approach in order to answer these questions and also the justification, of methods chosen, is given.

3. Research Methodology

3.1. Introduction

Before conducting the survey the researcher has come up with a Model Approach of her own to conduct the research based on the three questions described in the Introduction chapter of the study.

3.1.1. Survey model approach.

Survey-A. It was distributed among the owners to get the information about the company and the owner / manager. Also to get the percentage among owners who are unaware and who are not. (Can be found in Annexure-I)

Questionnaire-1. It was distributed to those owners who had the know-how about the IAs and their protection, and also have incorporated a registered asset in their business. From this questionnaire the researcher was able to get the knowledge about the perception of the owners / managers about the assets and their use. (Can be found in Annexure-II)

Questionnaire-2. It was distributed to those owners / managers who had the knowledge about these assets but do not use them for their businesses. (Can be found in Annexure-III)

Recommendation handout. It is a 2-page handout on the 'recommendations for unaware owners/managers' was carried during the survey. It was given to those owners who were totally unaware about these issues. (Part of Chapter-5 and can be found in Annexure-IV)

3.2. Sampling

Sampling is a technique to get the information about an area in an easy way. From the total population, a sample is selected for the survey, for example, if one wants to know the employment rate in Pakistan he/she will select a sample size of 5 big cities of Pakistan and conduct the survey rather than selecting all of the cities. The information generated on the basis of the sample is normally considered to be equivalent as if it was taken from the population. Sampling has its own advantages for example, less time consuming, less costs, fewer requirements, data summarization and analysis is easy too. One big advantage of sampling is of the accuracy of results, because if the survey is done on the whole population it can always give inaccurate results.

3.2.1. Sample size: Peshawar Context

Considering Peshawar city's small region, there are not much SMBs here, which leaves researcher to choose the sample size of 30 SMB Retail Outlets and Fashion Boutiques. Some of them were in-house boutiques and other were the Clothing Outlets in renowned shopping plazas of Peshawar. Out of 30 sample size, 30 respondents have been contacted personally and Annexure-1 was given to each of them.

3.2.2. Sampling Technique: Convenience Sampling

The sampling technique chosen for this research study was Convenience sampling. It is the type of sampling which is chosen for the convenience and easiness for the researcher. It involves those samples which can be easily accessible for the researcher. As the researcher is living in the area and she could conveniently meet the owners / managers of the SMBs, so this technique was the most helpful one. In this technique the sample is selected based on the researcher's choice. Generally this sample is not the representative of the whole population, but considering Peshawar region's small area, the sample is nearly reflecting the whole population. Also the sample SMBs chosen were from the four different sectors of Peshawar region which are the representative of the whole city. Also this technique is fast, inexpensive and the respondents are willingly available.

3.3. Survey Tool: Questionnaire

3.3.1. Questionnaire

It is a written tool which is based on questions from a research study or survey, used to gather or collect data from the participants. The data is then transferred into numerical / quantitative information for the analysis of the survey. After doing the literature review in a study the researcher develops

the questionnaire on the variables on which the study is based on. The main tool for gathering data for conducting the survey of this research study is the Questionnaire. This research study was based on three questions, which were integrated in two Questionnaire Forms i.e. Questionnaire-1 and Questionnaire-2. These questionnaires were based on the different variables (contributions), and the answers to the questions from the participants gave the idea about their perception or thinking. This research study is based on three types of questions and that are;

i) the percentage of owners in Peshawar region who have the knowledge of IAs related to business, ii) the perception of owners about the contribution of IAs in small and medium-sized business, iii) the important IA in their opinion. In the light of these questions, questionnaires were considered for gathering data as they suited more to get the response from the owners and also the easiest and little time-consuming tool. Also in a questionnaire, the researcher can ask similar questions two times with different words and ways repeatedly to check the matching of the answers. In that way one can get a clear idea about the perception and knowledge of the participants. Also, the information and introduction for the questions is always already given, so there is a little chance of bias from the participant's end. In questionnaires we can also use the layman language for people who are not so aware of the business language.

Questionnaires are thought as the most powerful and easiest communication tool for gathering data. It is a common belief that in marketing or in a communication process where customers or business people are involved questionnaires can play a great role in taking out their perceptions. There are two types of questions to be used in research methodology that are open-ended and close-ended questionnaires.

- **Open-ended questionnaires.** In this type respondents can answer in any way for example, in few words or in a paragraph.

- **Close-ended questionnaires.** In this type respondents are given few choices and they have to choose a single one. Or they have only two options of yes or no.

The questionnaires chosen for this research study are close-ended questionnaires because they can be really helpful and useful in getting the clear answers for the questions, and they are also helpful in the analysis of the data. They are also helpful in a way that they give a limitation to the respondent's answer in a survey. Close ended questionnaires can be of multiple choice, yes/no, numerical or etc. The researcher has chosen multiple choices with yes/no/maybe/not much. It is helpful in a way that one can easily translate the responses in a numerical form.

3.4. Statistical Representation

For the statistical representation of the analysis of the gathered data, SPSS Pie Charts were used. SPSS stands for

Statistical Package for Social Sciences which it provides different statistical tools for representing numeric data and information. As this research study is based on getting the percentages about the perception of the participants so Pie Charts were considered as a best tool for the representation of data.

4. Data Analysis, Results and Conclusion

4.1. Comparisons and Statistical Results

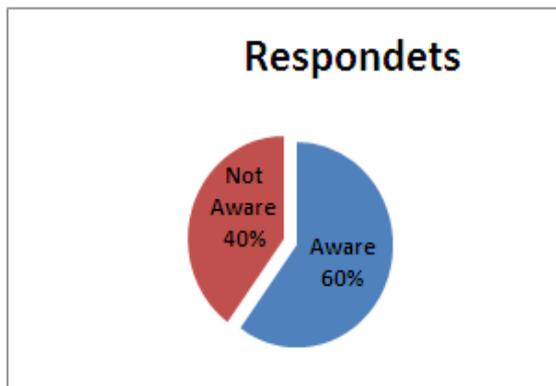
4.1.1. Survey-A

The following tables are based on the ‘Survey-A’ and the percentage comparisons have been done for answering the research’s first question.

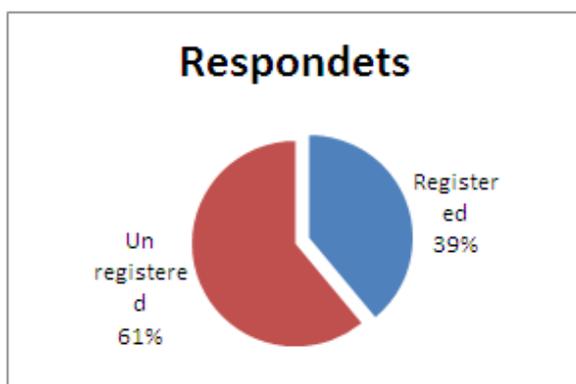
In Survey-A the researcher has given the proper definition of business assets to the owners in order to get the answer that how many owners / managers are aware from this information. The following table shows the percentage results;

Table 1. Owners who are aware

Respondents	Yes	No	Total
Owners who are aware	18	12	30



Pie Chart 1. Representation of table no. 1



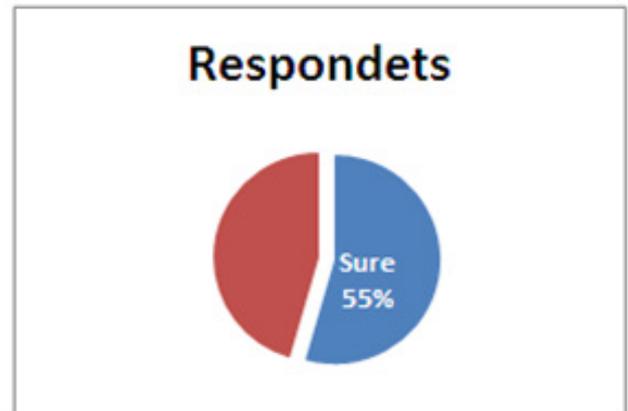
Pie Chart 2. Representation of table no. 2

Table 2. Owners with Registered Assets

Respondents	Yes	No	Total
Owners who are using a registered asset	7	11	18

Table 3. Owners willing to register an asset

Respondents	Sure	Unsure	Total
Owners who want to use a registered asset	6	5	11



Pie Chart 3. Representation of table no. 3

Comparison

From the sample of 30 respondents the ratio is 60:40, which means that there are chances of the rate increasing up in near future for the use of registered products. But also if we see the ratio of those owners who have know-how, its 39:61, which gives an impression that people are aware of these business practices but there is not much proper dissemination of information on the importance and use of these assets, that is why they are not using it. The ratio difference values from table-1 and table-2 are 20 and 24 respectively, which are not dispersed values. Also the percentage ratio between those owners who knew and who are not using is 60:61, which means in the total population, 60% have the know-how, and out of which 61% do not use. This is going against the favor of IA protection measures. The difference and percentage values are not much far away from each other, by which we can interpret that, those owners who are aware and those who are not using are on the same levels.

4.1.2. The Important IA According to the Owners / Managers.

The following tables are based on the questionnaires (1 & 2) and the percentage comparisons have been done for answering the second and third questions of the research study. Table-4 shows the list of assets which the researcher has given in Survey-A and both of the questionnaires, in order to give a clear idea to the owners.

- From questionnaire-1, out of total 7 respondents who had the know-how of IAs 5 owners have already registered

brand names and 2 have registered trademarks. From questionnaire-2, out of total 11 respondents, who do not use, 5 owners want to register the brand name of their businesses. This gives us the idea that 11 owners showed the significance for Brand Name as an important asset and it has 61% importance in the overall assets. Results are shown in Table-5;

Table 4

Business IAs
Registered Brand Name
Registered Brand Logo
Registered Company Name
Registered Copyright
Registered Trade mark
Registered Color Schemes or Sounds
Registered Patents Designs
Registered Design Rights

Table 5. Percentages

IAs	Percentage
Registered Brand Name	61%
Registered Brand Logo	1%
Registered Company Name	-
Registered Copyright	-
Registered Trade mark	11%
Registered Color Schemes or Sounds	-
Registered Patents Designs	-
Registered Design Rights	-



Graph 1. Representation of table no. 5

• 6 out of 7 respondents had the perception that brand name is the most influential and 1 was convinced for the

brand logo. Results are shown in Table-6;

• Also out of 11 respondents, 6 are planning to register in future; out of which 5 showed the importance for brand name and 1 for brand logo. Results are shown in Table-7;

Result

Brand name is the important / influential asset in the perception of the owners / managers of SMB in Peshawar.

Table 6. Perception about Assets-1

Respondents	Brand Name	Brand Logo
1	Y	-
2	Y	-
3	Y	-
4	-	Y
5	Y	-
6	Y	-
7	Y	-

Table 7. Perception About Assets-2

Respondents	Brand Name	Brand Logo
1	Y	-
2	-	Y
3	Y	-
4	Y	-
5	Y	-
6	Y	-

4.1.3. Contribution of Intangibles According to the Owners / Managers.

The following tables are based on the questionnaires (1 & 2) to check out the perception of the owners about the contribution of IAs in a business. Table-8 shows the list of seven possible Contributions, which any registered / unregistered IA can give to any business. These all are taken out from the questions in the questionnaires, which the researcher has asked the participants in a layman language, in order to give them a clear idea and to see that which contribution is important in their point of view.

a. Total results. Table-9 shows the responses of total 18 respondents; and the 7 Contributions from questionnaire 1 & 2;

b. Combined results. Table-10 shows the results of the 4 Contributions from the answers of the total 18 Respondents of both questionnaires. Table-11 shows the results in percentages and ratios;

c. Conclusion. The difference in the ratio for Recognition and Prominence is the greater. Also the percentage value is greater respectively. From this we can conclude that owners / managers think that by gaining these registered protection measurement they can easily get recognition or make their businesses prominent in the market. Also, by 50 into

50 %age we can conclude that in their point of view the influence on customers can also be possible, which can be proved by the fact that in the century where terms like brand-consciousness and status-symbol are used, customers will naturally go for branded products.

Table 8. Contributions of an IA

Controbution-1	Profits
Contribution-2	Recognition & Prominence
Contribution-3	Competitive Advantage
Contribution-4	Protection against Infringement
Contribution-5	Influence on Customers
Contribution-6	Influence on Employees
Contribution-7	Attracting investors / stakeholders

Table 9. Owner's Perception about the Contributions-Total

Contributions	Yes		No		Maybe		Not much	
	QST-1	QST-2	QST-1	QST-2	QST-1	QST-2	QST-1	QST-2
Profits	2	6	4	5	--	--	1	--
Recognition & Prominence	5	--6	--	2	--	3	2	--
Competitive Advantage	6	--	--	--	1	--	--	--
Protection Infringement	--	--	3	9	1	2	3	--
Influence on Customers	6	4	--	3	1	2	--	2
Influence on Employees	--	--	5	--	2	--	--	--
Attracting investors	--	--	7	--	--	--	--	--

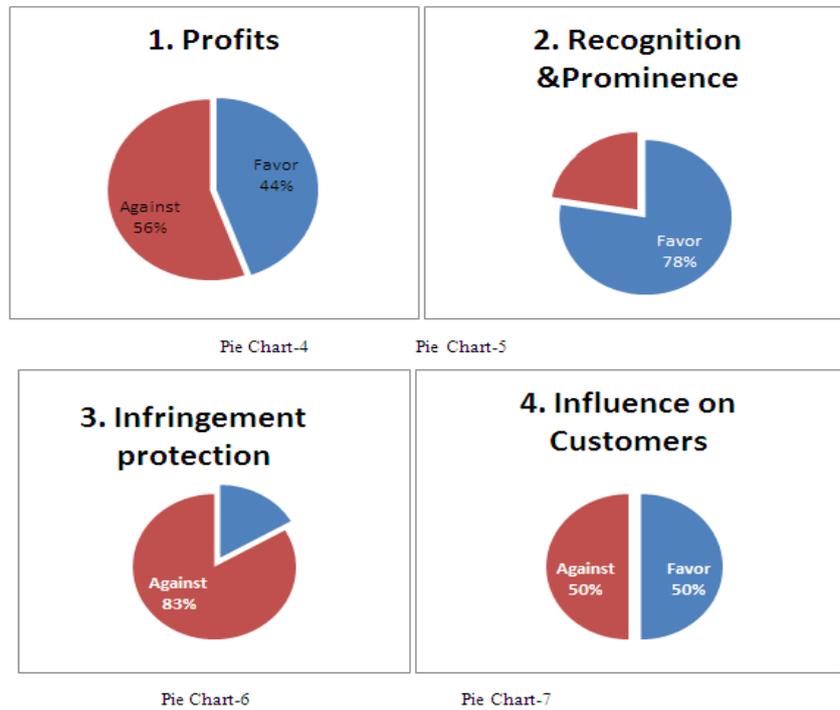
Table 10. Owner's Perception about the Contributions-Combined

Contributions	Favor	Against	Total
Profits	8	10	18
Recognition & Prominence	14	4	18
Protection against Infringement	3	15	18
Influence on Customers	9	9	18

(Maybe = Yes, Not Much = No)

Table 11. Results

Contributions	Ratios	% age
Profits	8:10	44.4 & 55.5
Recognition & Prominence	14:4	77.7 & 22.2
Protection against Infringement	3:15	16.6 & 83.3
Influence on Customers	9:9	50 & 50



4.1.4 .Perception of Owners / Managers.

1. Perception of Owners with registered assets. Table-12 shows the results from the answers of the total 7 Respondents (who have registered assets) of questionnaire-1 about the 3 Contributions;

Table 12. Registered Owners' Perception

Contributions	Favor	Against	Unsure	Total
Competitive Advantage	6	--	1	7
Influence on Employees	--	5	2	7
Attracting investors	--	7	--	7

Result

From Table-11 it is clear that those owners, who are using the protection measurements for the copying issues, are only in the favor of 'Competitive Advantage'. Which means that those who have already incorporated their businesses with Registered Brand Names are not satisfied with any other contribution it is providing, but only giving an edge over the other Retail Outlets in the area.

2. Perception of Owners without registered assets. Table-13 shows the results from the answers of the total 11 Respondents;

Result

From Table-13, it has come forward by the above table that owners who do not still have registered assets are in 10:1 ratio for are not in the favor of the protection measures. In their point of view it is possible that a business can be prominent without these protection assets. Although all 11

respondents have found their designs copies in the market but still their perception of using the protection rights cannot be changed.

Table 13. Unregistered Owners' Perception

	Favor	Unsure	Total
Prominence without Registered Assets	10	1	11
Copied designs in the market	11	--	11

3. Designer's perception. Table-14 shows the results from the answers of the total 11 Respondents (who have not registered the business assets), 8 were the designers themselves for their company;

Table 14. Designer's Perception

	Favor	Against	Unsure	Designers
Want to Register their designs	6	--	2	8
Survival of the business is possible?	7	--	1	8

Result

It is clear from the above results that the designers of SMBs in Peshawar want their designs to be protected but also seeing their point of view, about the survival of the business without the use of protection measures it is clear that they do not think it is important for the business. From this we can conclude that designers of SMBs want the recognition for their brands somewhat but if it is not possible

for them to register the business, they can somehow make profits from it.

4.4. Summary and Conclusion

From the discussion with few of the SMB owners, the point came forward that most of them do not want to register themselves because of the Tax issues. In their point of views, by registering a business, when it is considered as small or medium-sized, there is not much potential in gaining profits. The costs on the registration and monthly payments made it difficult for an owner to register his/her business, while he is getting monthly profits lesser than that cost. In short registering is not much of the concern for them; even they think that copied products have influenced the market a lot from previous four to five years. In their opinion there is no unique design in these SMBs outlets because the creativity is overrun by copying.

From the sample of 30, only 7 SMB owners have made their businesses registered in the market; which made it quite clear that people in third world countries do not give much protection to their creative works. They are thinking in terms of profits. From questionnaire-1 five owners have registered their brand names, and 2 owners have trademarks instead. From this we came to know that Brand name is considered the most important business asset in the Peshawar region. Although they have incorporated these assets protection measurements still some owners think that after they have registered their assets, their business has not achieved much success against their competitors and copying remains the issues. From the results it was quite clear that they have not gained profits and in their opinion those competitors who have unregistered products and brand names are going in the parallel direction in terms of the profits. In their opinion business do not become much recognizable or profitable in the market. Most of these owners do not have a proper strategy about protecting new designs, and even having the registered brand names they have found their products with a little bit difference in the local market. The most influential is the copyright protection in their minds and having a brand name is not essential to gain protection against copying of the designs for a SMB. Most of the owners also think that a business can survive and prosper without having these protection rights over their businesses. Also in their opinion nowadays customers buy those products which are copied from a big brand. They do not care if a small retail boutique is a registered brand or not. Owners think that employees are more focused and committed if the brand is registered but investors are not really concerned about these protection rights because the unregistered businesses nowadays are gaining the same amounts of profits as the registered brands.

From the sample of 30, 11 SMB owners have not made their businesses registered in the market. Also from questionnaire-2 it comes forward that Brand Name and Logo is considered common asset among the clothing boutiques. 6 of the owners, not having their brand names registered, are planning to register their business in near future. But 5 are

unsure about using them. Out of those owners who are interested (i.e. 6), 4 do not have allocated any budget for the registration fee and they do not have any idea about it. It means those who are considering it, are not properly informative about registration the assets of a business. By all this it gives an impression that SMBs in Peshawar, related to fashion, are not properly aware of intangible/IP issues. Out of 11 SMB owners, who knew about the copying issues, 8 were the designers themselves, out of which 6 wanted to register but 2 were unaware. It means that those people who have started their own businesses and they are the creators of their designs want to make use of the protection issues. There should be a proper guideline for these people, which is provided by IPO-Pak. Also from these 11, all 11 have found the copied products in the market. But seeing the successful unregistered businesses they are unsure about whether they will attract more customers to their designs and whether their business will gain profits. Also out of 11 people, 9 of them thought that it is not must to protect the business designs and assets legally, as they do not give proper protection do the products, and 7 were convinced that a business can survive without them.

As from questionnaire-1, it has been noticed that the 7 owners having registered brand names, are not satisfied with the copying issues. With 5 unsure owners, the ratio of unsatisfied boutique owners is raised up. Among 30 candidates, 12 are those owners who do not consider business assets to be recognized in the market. It means that in a third world country like Pakistan, copying remains an issue.

5. Recommendations

5.1. Researcher's Viewpoint

In the first International Conference on Business Management (ICoBM) (2011), conducted by the University of Management and Technology (UMT) Lahore, the chairman of Pakistan SME Regional Committee Rehmatullah Javed stated that SMEs play a great role in a country's growing economy by serving the unemployment and enhancing competitiveness. There are approximately 3.2 million businesses in Pakistan, from which 90% are the private businesses and they employ 78% of the labor. Keeping this in mind SMBs in Pakistan are suffering from different weaknesses and from one of them the main weakness is not realizing their IA protection. If Pakistan has to move ahead in this ever-competitive century, it has to develop a goal for SMBs to utilize their IAs as a fuel for growth. For doing this, people from Intellectual Property Organization, Pakistan (IPO-Pak) have to give proper attention to the success and utilization efforts for these SMBs. There should be a policy on behalf of IPO-Pak for the development and assignment of responsibilities in this sector. A survey on behalf of the IPO-Pak office should be conducted on a monthly basis to check that whether they are

using the protection measures or not. There is an authority for nurturing the development of SMBs in Peshawar i.e. SMEDA. The functions of this organization include policy making for the growth and research, evaluation of projects and to encourage business professionals in small emerging businesses, which in turn reduces the unemployment rate. Also it has different committees which are working for carrying out different standard procedures. Among those working committees one is known as 'business environment' whose role is to create a positive and constructive businesses environment for SMBs and to reduce the problems for them. According to this research study, this committee should work on the IP protection measures by making a collaboration effort with IPO-Pak. As SMBs make a great portion of an economy it should better be doing its businesses and marketing activities and should be recognized in the region. By doing this the perception and the point of views of the owners of SMBs would be changed and they will start realizing the importance of their IAs. This can only be done through different unique practices by SMEDA and IPO-Pak. Also SMB owners in Peshawar region are unaware of the business related practices and they should be given proper guidance and knowledge; and secondly those who are aware and not having registered business are afraid to do so because of the tax issue. As with respect to the concept of 'equality of wealth', taxes play a major role in a country. Tax is important in any country not only because it promotes equality of wealth but it is a method to help the owner of a business when he dies that all the assets are normally equated among all of his family members. In Pakistan many owners are having these SMBs and by registering them they can easily reduce inequality in the distribution of wealth. Not only they can get recognition but also can generate profits easily.

5.2. General Recommendations

5.2.1. Recommendations for Fashion Retail Outlets:

Measurement of a Brand as an Important Management Asset

From the survey it comes forward that according to the perception of the SMB owners, whether designers or not, they consider 'Brand' as an important asset. But still most of them have brands but they have not registered them yet because of the tax issues. Also the main reason in the researcher's viewpoint is that these owners do not consider brand as a means of profits, although they gave a positive response in considering a brand as an important source of recognition and prominence. So it is important to guide them with the positive financial aspects of a brand for their retail outlets; and how they can monitor and manage them to gain profits.

- Nowadays retailers have lot of understanding and knowledge that what the customers want according to the fashion trends. This knowledge should be easily translated into value in terms of a brand, if the

retail owners tailor the brands with respect to consumer's mind.

- Marketing investment should be done properly on monthly basis for the promotion of the brand.
- Marketing campaigns helps a lot and brands with successful marketing campaigns always appeal to customers and enhance customer acquisition. Owners / managers will not be putting extra costs on extra efforts for customer attraction, but a good marketed brand will do that for them.
- With a registered brand name suppliers can also be targeted easily as they want to be associated with a prominent brand name, this will in turn lower the supplier costs and the cutting costs can have a great benefit for the owners.
- Every manager / owner should develop a tool for measuring the brand's value, depending on the business type.
- Managers should record the activities after / before registering the brands. The record should be keeping market shares, volumes, customer ratio, etc. These performance indicators will be guessed and recorded by the marketing department in case of SMBs in fashion industry.
- The tracking of the value of a brand name is more important for retail outlets in this competitive age where there are lots of unregistered brands. The managers should first indicate the key value driver for the brand and then focus on how to achieve it by consumer responses. At last the earnings business gain after these efforts should be recorded.
- If the valuation is positively affecting the business, managers can publicize them in the financial statements, which will in return attract investors and financial institutions.

5.2.2. Final Recommendations

1. SMB owners should recognize the competitive advantage of their businesses which comes from any IA and they need to protect it.

2. Because of the illiteracy issue about the value of these IAs, SMBs can have negative affects in finance sector in a way that they cannot have loans and other financial services if they are not registered. Financial institutions consider registered businesses first when it comes to lending decisions. So SMBs should make their IAs protected to facilitate the access to finances.

3. The knowledge of IA is important in a way that it not only provides the protection to the business assets but also if they are designed properly from the start to base the overall business mission and vision on it, they can be helpful in the growth of the business.

4. There should be collaborations programs among IPO-Pak, SMEDA and accountancy firms. They should create a tool of managing these assets for the businesses in Peshawar. It will enable the owners / managers to identify the value of IAs.

5. As it is seen from the survey that owners / managers think that having their businesses registered do not attract investors or stakeholders, so they should hire advisors, who can not only change their perception but also will explore that how the value of these assets can be conveyed to the stakeholders.

6. One way to attract stakeholders through the means of IAs is the financial reporting system. Financial reports give information to financial institutions and they give the value of the business to them including the value of registered IAs.

5.3. Recommendations for Unaware Owners

5.3.1. Formation of IPO-Pak.

According to the government of Pakistan Law, Justice and Human Rights Division on 26th Sep, 2007 an ordinance was passed by the President i.e. Ordinance no. L, for the formation of the organization named IPO. IPO provides protection for the businesses for their IP. According to Article 89 of the charter Islamic Republic of Pakistan, IP includes copyright, patent design, industrial design, trademark or service marks, trade names, unique ideas of products and marketing techniques.

- **Tools in IPO - Pak.**

○*Trademark*: it is a sign that differentiate a product of a business from the other business's products. It can be anything including from the words, letters, numbers, to creative designs, slogans or symbols.

○*Patent*: a patent is granted to any business owner for 20 years time period for a product or a process.

○*Industrial Design*: it is the factor in any product which makes it attractive and it can be the shape, color or patterns of / on the product.

○*Copyright*: it basically gives protection to the literary art-work such as music, poetry, paintings or writing. Also it gives protection to computer software and databases.

○*GRTKF*: it stands for Genetic Resources, Traditional Knowledge and Folklore. It gives protection to the talent of local people in any area for example traditional cultural values and society norms.

- **National IPR conference, Pakistan.** IPO Pakistan celebrated its third national IPR Conference on 26th April, 2011 at the Convention Center Islamabad. Prime Minister of Pakistan, speaker national assembly, federal ministers, foreign diplomats and IP stakeholders participated in that. The conference raised the issue that IPR and protection is everybody's responsibility because it promotes growth and development in an economy while fake and copied products negatively affect the society. Protecting these rights motivate innovation and creativity. It promises consumer protection, transfer of knowledge, investment and gives growth to economic development. IPO Pakistan's responsibility is to create awareness among public about these issues, discovery of copied products and to enhance cooperation, among all, against illegal business practices and to promote legal businesses.

5.3.2. IPO – Pak and Small Businesses: Fashion Industry.

IPO-Pak was created for the better management of IP issues. It has three sub-divisions under the federal government and that are;

- Ministry of Education handles Copyrights*

- Ministry of Commerce handles Trademarks*

- Ministry of Industries handles Patents / Designs*

5.3.3. Recommendation.

So in general Trademarks and Patent Designs can be used to register a business asset related to any small boutique, or in other words to register a brand name or logo of a Retail outlet in fashion industry.

Annexure – I

Clothing Boutique Information Survey

Clothing Boutique Name: _____

Boutique Address: _____

Owner / Manager Name: _____

Question-1: Business Market Assets are the belongings of any business which gives it a unique image in the market and customer recognize the business by these distinguishing assets. Do you know about Business Assets for example Registered Brand Logo, Trademark, Patent Design, Copyright, etc? Yes No

Question-2: Have you included any of the assets, mentioned below, in your business: Yes No

- Registered Brand Name
- Registered Brand Logo
- Registered Company Name
- Registered Copyright
- Registered Trade mark
- Registered Color Schemes or Sounds
- Registered Patents Designs
- Registered Design Rights

Annexure – II

Questionnaire - 1

Q1. What types of legal protection measures have you taken for your business to protect new designs from being copied or stolen?

- Registered Brand Name
- Registered Brand Logo
- Registered Company Name
- Registered Copyright
- Registered Trade mark
- Registered Color Schemes or Sounds
- Registered Patents Designs
- Registered Design Rights

Q2. Since when you are using the above protection asset for your business?

Answer in Years: _____

Q3. Have you gain profits for your business after adding the protection measure?

Yes No Not Much

Q4. Do you think that by adding these protection rights, you have made your business recognizable and prominent in the market?

Yes No Not Much Maybe

Q5. Is your business vision / mission revolves around the brand name / trade mark (or etc)?

Yes No Maybe

Q6. Have you achieved success over your competitors (i.e. other Retail Boutiques in your area)?

Yes No Not Much Maybe

Q7. From the above assets mentioned, which one is the most influential in your opinion?

Q8. Do you think it is important to use the above type of asset in your business?

Yes No Not Much

Q9. From the protection measurement that you have added in your business, in your opinion is it giving proper protection against copying of your designs?

Yes No Not Much Maybe

Q10. Do you think a business can survive without it?

Yes No Not Really

Q11. Do you think one can make their brand prominent in the market without these assets?

Yes No Maybe

Reason: _____

Q12. In your opinion, do you think that by adding registered intangible (unseen) assets to your business, does it convince or influence customers to buy?

Yes No Maybe

Q13: Do you think making a business legally recognized have an influence on the employees too?

Yes No Maybe

Q14. If you want to add another stakeholder / investor in your business do you think Recognized businesses attract investors too?

Yes No Maybe

Annexure – III

Questionnaire-2

Q1. From the given business assets below which one you will want to register legally in the near future?

- Brand Name
- Brand Logo
- Company Name
- Copyright
- Trade mark
- Color Schemes or Sounds
- Patents Designs
- Design Rights

Q2. Brands are the names and symbols (trademarks) which are used to support and promote your business. If you have not registered the brand name of your business, you cannot protect it from the illegal use.

Do you have a brand name of your business which is not registered?

Yes No

Q3. Are you interested to make your business assets registered in future?

Yes No Maybe

Q4. Do you have a saved budget for legal fees, patenting costs, etc, for making your assets legal?

Yes No Maybe

Q5. Do you create your designs within the company (as a designer)?

Yes No

Q6. If yes to the above question, have you ever found the copy of your designs somewhere else in the market?

Yes No

Q7. Do you wish to make your creative designs legally protected?

Yes No Maybe

Q8. Do you think if you add the registered assets (i.e. Brand or Logo) in your business, they will make customers more attracted towards the business?

Yes No Not Much Maybe

Q9. Do you think your business will gain profits after adding the protection measure?

Yes No Not Much

Q10. Do you think that by adding these protection rights, your business will be recognizable and prominent in the market?

Yes No Not Much Maybe

Q11. Have your competitors i.e. other Retail Boutiques in your area, are using registered products?

Yes No Not Much Maybe

Q12. If yes to the above, do you think they are more successful then you?

Yes No Not Much Maybe

Q13. Do you think that if you register the brand, then customers will buy more from you instead from any other boutique in the area?

Yes No Maybe

Q14. Do you think it is important to protect the business designs and assets legally?

- Yes No Not Much
 Q15. Do you think registered products; give proper protection against copying of the new designs in market?
 Yes No Not Much Maybe
 Q16. Do you think a business can survive without registered products?
 Yes No Not Really
 Q17. Do you think one can make their brand prominent in the market without registering it?
 Yes No Maybe

Annexure – IV

Recommendation Handout

Intellectual Property Organization – Pakistan: A Law was passed on 26th Sep, 2007 for the formation of the Intellectual Property Organization (IPO) Pakistan. IPO provides the protection of the intellectual property rights in Pakistan for businesses. According to the law, “Intellectual Property includes a patent, industrial design, layout-design (topographies) of integrated circuits, copyright and related rights, service mark, trade mark, trade name, undisclosed information or trade secrets, traditional knowledge, geographical indications, Plant Breeder Rights, technical know-how and ideas for new products and markets, including the commercial information about customer or any combination” (Article 89). IPO provides protection with:

- **Trademark:** “A trademark is a sign that individualizes the goods of a given enterprise and distinguishes them from the goods of others. It can be in the form of words, designs, letters, numerals or packaging, slogans, devices, symbols, etc.”
- **Patent:** “A patent is a grant from the Government, which confers on the grantee, for a limited term of 20 years, the following acts, namely 1) when patents have been granted in respect of a product. 2) When the patents has been granted in respect of a process.”
- **Industrial Design:** “An industrial design is the ornamental or aesthetic aspect of an article, in other words, that part which makes the article attractive & appealing. It may consist of three-dimensional features, such as the shape or surface of an article or two-dimensional features, such as patterns, lines or colors”
- **Copyright:** “Copyright deals with the protection of literary and artistic works. These include writings, music, and works of the fine arts, such as paintings and sculptures, and technology-based works such as computer programs and electronic databases.”

National Intellectual Property Rights (IPR) Conference: IPO Pakistan celebrated its third national IPR Conference on 26th April, 2011 at the Convention Center Islamabad. Prime Minister of Pakistan, speaker national assembly, federal ministers, foreign diplomats and IP stakeholders participated in that. The conference raised the issue that intellectual property rights and protection is everybody’s responsibility because it promotes growth and development in an economy while fake and copied products negatively affect the society. Protecting these rights motivate innovation and creativity. It promises consumer protection, transfer of knowledge, investment and gives growth to economic development. IPO Pakistan’s responsibility is to create awareness among public about these issues, discovery of copied products and to enhance cooperation, among all, against illegal business practices and to promote legal businesses.

IPO – Pak and Small Clothing Boutiques in Peshawar: IPO-Pakistan was created for the better management of intellectual property issues. It has three sub-divisions under the federal government and that are;

- Ministry of Education handles Copyrights
- Ministry of Commerce handles Trademarks
- Ministry of Industries handles Patents / Designs

Recommendation: Trademarks and Patent Designs can be used to register a business asset related to any small boutique, or in other words to register a brand name or logo of a Retail outlet in fashion industry.

Annexure - V

Sample Trademark Registration Form

(To be accompanied by a duplicate of this Form and by six additional representations affixed on a durable paper of size 13" x 8")

Fee: See entry No.1of the First Schedule

Application for registration of trade mark for goods or services and to register a domain name under section 22(1), section 84(2); rule 12

One representation to be fixed within this space and six others to be sent separately. Representation of larger size may be folded but must then be mounted upon linen or other suitable material affixed thereto. See rule 17.

Application is hereby made for registration in the register of the accompanying trade mark in class 1_____ in respect of 2 in the name(s) of 3 _____ Nationality _____ trading as 4 _____ whose trade or business address is 5 who claim(s) to be the proprietor(s) thereof and by whom the said mark is proposed to be used / being used since in respect of said goods or services 6 _____

If the application is for a series of marks, indicate how many marks in the series

7 _____.

If the application is for domain name indicate whether it is in respect of goods or services 8 _____.

If color is claimed, indicate here and state the color(s) 9 _____

Address for service in Pakistan to which all correspondence should be sent 10 _____ Dated this _____ day of _____ 201_____

Signature 11 _____

Name of signatory in block letters _____

Telephone: _____ Fax: _____

Email: _____

To,

The Registrar of Trade Marks,

Trade Marks Registry,

Karachi.

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1 Insert the serial number of the class as indicated in Schedule IV to the Trade Marks Rules 2004.

2 Specify the goods or services. Only goods and services included in one and the same class should be specified. Please consult Schedule IV attached to the rules to check the class of goods and services or the Book on International Classification of goods issued by the International Bureau for the Protection of Intellectual Property, Geneva.

3 Insert legible the full name, description and **nationality of the applicant**.

4 Insert the trading style, if any.

5 Insert the full trade or business address of the applicant.

6 Strike out whichever is not applicable. If the mark is already in use, file the proof thereof by way of affidavits, publicity material, sale figures etc.

7 Indicate how many marks are in the series.

8 Indicate whether domain name is in respect of goods or services

9 State the color(s) claimed

10.State address for service in Pakistan

11 Signature of the applicant. If the mark is owned by an individual, he must sign it, if owned by a partnership firm, by the Managing Partner, if the applicant is a limited company, by the Managing Director or Director.

Notes – (1) The prescribed fee should be paid along with this application either through a cheque drawn in favor of or through a money order addressed to the Director General, IPO- Pakistan.

(2) Where the application is being filed through an attorney, a power of attorney on Form TM-48 duly stamped must accompany this application.

(3) If the word mark is in a language other than English, Urdu or regional Pakistani languages, its translation and transliteration in the form of an affidavit must accompany this application.

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