Innovation in Sustainability Initiatives through Reverse Channels

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Abstract

Although a manufacturer adopting reverse channels for offering pre-owned refurbished products is an old concept, it has not been studied from the point-of-view of the promotion of innovation in sustainability benefits it provides to a variety of actors. This research highlights the ability of a brand to generate value for business customers participating in reverse channels adopted by the manufacturer as a innovation in the sustainability initiatives approach. The arguments presented are based on a synthesis of literature from operations, marketing and management research. The aim of this research is to review reverse channel management as an activity that mediates the relationship between an innovation in the sustainability initiatives approach adopted by a manufacturer offering branded products and the value attributed to it by its business customers. The implications of the relationship are discussed and future research is recommended.

Keywords: Innovation, Sustainability, Reverse Channels, Value, Growth, Profit and Brand Equity

Introduction

Can the promotion of innovation in sustainability initiatives through initiatives like reverse channel marketing influenced by a manufacturer offering branded products influence its outcomes for different actors engaged in the process? Although the concept of recycling is old, even today it is based on used products as a function of operation management and has been defined as reverse channel based logistics by Carter and Ellarm, (1998). The practice dates back to the 19th Century and became a critical item of focus in the two world wars. The environmental side of it came to the fore in the early 1990s in Germany, because of governmental interventions. Reverse channels from a social viewpoint is an innovation in sustainability initiatives that uses the channel-based business function as a closed loop supply chain (Guide et al., 2003; Atasu et al., 2013; Lee and Lam, 2013). There have been activities such as re-usable packaging, which can become a very cost-effective choice (Twede and Clark, 2004; Besiou et al., 2012). Although the activities have been discussed, the initiative of reverse channels includes returns management, recycling, waste disposal, remanufacturing, and also marketing of the returned or remanufactured products. These are interrelated and dependent on business functions that are outside the scope of a traditional supply chain (Guide et al., 2003; Lee and Lam, 2013). It involves acquisition of used or less than up-to-date products from customers seeking higher level performance than they currently have and supplying fully functional but refurbished products to satisfy new quality parameters for those who have much less (Grewal et al., 2004; Lee and Lam, 2012). These activities create revenue and generate opportunities for firms managing repair and refurbishing activities. Industrial buyers or business customers engaged in selling consider such opportunities as additional value because they generate extra revenue from the reuse of otherwise exhausted products and these projects allow the seller as a

firm to be seen as adhering to the innovation in sustainability initiatives requirements of society (VonRiesen and Herndon, 2011; Gupta et al., 2012).

Business customers evaluate the value contributed based on the rational benefits of associations (Srivastava et al., 1998). Competence to create such value for business customers rests on a manufacturer's ability to create demand, provide products that have special expertise in functionality and deliver products efficiently when there is a demand (Weerawardena and Mort, 2006). While use of a brand helps in creating demand, the expertise required is for offering products with a high level of functionality and delivering them efficiently (Webster, 2000). These external firms keep the manufacturer updated regarding changing trends and facilitate the smooth delivery of products to an appropriate consumer segment (Gupta et al., 2008; VonRiesen and Herndon, 2011).

The literature on segmentation explains how different segments of the market are concerned about different issues related to products and why they drive purchase behaviours in consumer markets (Ailawadi et al., 2001). Recent research of innovation in sustainability initiatives reflects the concerns of consumers about the ways brands communicate innovation in sustainability initiatives adopted by the manufacturer for influencing their preferences (Gupta et al., 2012). Concurrently, products that satisfy societal requirements related to innovation in sustainability initiatives are sometimes very highly priced and do not fit the purchasing ability of a number of consumers (Velor, 2007). Hence, consumers with low purchasing ability and high level of innovation in sustainability initiatives related concerns have taken to buying refurbished products when offered at low prices (OECD report, 2010). A well-organized channel management of refurbished branded products improves the confidence of customers in the functional efficiency of pre-owned products (O'Rourke, 2005). From a channel perspective, the

goal becomes not just to deliver a product to the market, but to also to be able to retrieve it from the market for subsequent use, recycling, or disposal. Ideally, one uses the same channels both for the delivery and re-collection of products. To a growing degree, the ability to develop such two-way channel systems can become a key determinant for market acceptance and profitability (Czinkota and Ronkainen, 2012). Also, as online purchases keep on increasing, easy returns of products purchased become instrumental in convincing customers to purchase without physically examining the item (Jack et al., 2009). There is a relationship between the rate of physical and marketing obsolescence, consumer attitudes to innovation and the economic feasibility of reverse logistics. The faster technology progresses, the less feasible it is to recycle whole products and the more likely it is that products will only feasibly be recyclable for their components or even raw materials, unless consumers themselves drive rapid obsolescence by trading in products which are feasibly fully recyclable in order to obtain a product with the latest features.

Current academic knowledge is scant regarding the role played by a brand in creating value for business customers through the adoption of reverse channels. The authors present a research agenda based on the argument that a brand provides an assurance of the quality and functional capability of the products to new users of old products; rational benefits to business customers; and strengthen the customer base of the manufacturer (Gupta et al., 2012; Van der Veen and Ossenbruggen, 2015). We will now present a research agenda in the form of a conceptual framework (Figure 1). The following section presents a review of the existing literature in this field of study, followed by recommendations for further research on this topic.

Literature Review and Research Propositions

The existing literature defines reverse logistics as a business process that consists of activities related to the forward and backward flow of goods (Krikke et al., 2003). Further exploration revealed reverse logistics that the integration of marketing and sales opportunities with sustainability available for improving the efficiency of a business (Gunasekaran and Ngai, 2004). The planning of reverse activities is a complex amalgamation of customer service, inventory control, information management, cost accounting, and disposal techniques including the management of hazardous materials (Czinkota and Ronkainen, 2012). Even though sometimes onerous, international rules such as the ISO standard 14000 specifically target encouraging good international environmental practices by evaluating companies both at the organization level (management systems, environmental performance, and environmental auditing) and at the product level (life cycle assessment, labelling and product standards) (Wu and Dunn, 1995). Increasingly stakeholders also desire companies to develop practices that bring about fewer shipments, less handling, and more direct movement. The reverse logistics and reverse channels are based on closed loop supply chains and this literature discusses the ability of such integration to improve the effectiveness of business processes and advance the efficiency of demand management activities (Guide et al., 2003).

Scholars like Atasu et al. (2013) investigated reverse channels from a perspective of operational issues faced by a manufacturer while adopting and implementing them. The authors have analysed the issue of collection by the retailer, the manufacturer and a third party using collection cost function and found that the manufacturer's ability to shape the sales and collection quantity for optimal reverse channel choice, involving retailers, manufacturers and other actors, is driven by the cost structure. Studies like these fail to explain how a closed loop

supply chain based reverse channel requires manufacturers to utilise the competence of business partner firms (Persson and Virum, 2001). When an innovation in sustainability initiatives like reverse channels based closed loop business practices extends the outcomes of an association beyond the creation of economic value, it can address social issues (Defee et al., 2009). An innovative supply chain that amalgamates reverse channels based logistics improves customer equity for the manufacturing firm (Seuring et al., 2008) and drives growth and profitability for its partner firms (Seuring et al., 2008; Pagell and Wu, 2009). The risk of failure of a supply chain that closes the loop of the life cycle of a product through reverse logistics needs to be understood. It can be reduced if the contribution to be made and received by each partner, in addition to their individual responsibility towards the performance and management of different functions, is known (Li et al., 2005). Together, if their roles are identified and integrated at the design stage of the supply chain – the firms can successfully ensure the efficient delivery of products up to the natural end of their life cycle (Li et al., 2005).

Management of reverse operations for a product through all stages of its life cycle requires collaboration between manufacturers and firms that can provide access to a market segment ready to use pre-owned products (Gupta et al., 2012). A study conducted by Besiou et al. (2012) reviewed waste management systems to understand the link between collection capacity shortage and the low living standards of consumers in developed countries to present a model that can be used to test the impact of scavenging end-of-use products using the operations of a formal recovery system. It enabled scholars to explore the influence of three different regulatory measures of innovation on sustainability initiatives and to conclude that incorporating scavengers to collect end-of-use products into the formal system is beneficial. Although these

studies have considered sustainability from different perspectives of reverse channels, they have not been able to clearly link them well with recycling and re-use of pre-owned products.

Manufacturers engage business customers for smooth management of the reverse flow of products from consumer markets, i.e. products that are returned by the consumer either due to their failure to function or due to the consumer's need to either change or upgrade them (Baum, 2001). Consumers rely on the recommendations of sellers for the purchase of pre-owned products (OECD Report, 2001; Guide et al., 2003; Van der Veen and Ossenbruggen, 2015). Opportunities for reselling old products improve the assessment of economic value by business customers and improve the innovation in sustainability initiatives (Amit and Zott, 2001). Retailers selling recycled products also act as quasi representatives of the manufacturer and provide a "window" to those consumers who are seeking the repair of a faulty product or the purchase of a reliable pre-owned product (Vurro et al., 2009). Retailers trained by the manufacturer function as important actors in the reverse logistics of a product, i.e. they bridge the gap between consumers and manufacturers by having the capability to repair and make the product ready for a new customer segment (Guide, 2003; Gunasekaran and Ngai, 2004).

In the case of wide geographic dispersion, manufacturers train and outsource the repair and refurbishing activity to retailers; such recycling initiatives improve the technical abilities of the retailer to add value to the manufacturer's business (Barratt and Rosdahl, 2002). Recycling when managed as a support activity by a retailer or a business partner firm enables the manufacturing firm to focus on its core business, without investing in the creation and management of resources or the infrastructure required for making their business sustainable through a closed loop supply chain (Gunasekaran and Ngai, 2004). Although the strategy literature discusses the outsourcing of support activities and management of core activities by the

firm for superior performance, it does not reflect on the capability of recycling when innovatively managed reverse logistics use an outsourcing model. Therefore, embedding these arguments into the resource-based view of Wernerfelt (1995) encourages us to propose:

Proposition 1: An increase in the intention of a manufacturer to take on innovation in sustainability initiatives in its reverse logistics based business process can increase the probability of the adoption of an approach towards reverse logistics.

Brands provide an assurance of product quality with established demand (Webster, 2000). The association of a brand with an external firm enhances a brand's ability to manage its customers efficiently (Boyson et al., 1999). Brand based associations between a manufacturer and external firms strengthen with an increase in the value creation based on mutual capabilities and opportunities (Srivastava et al., 2001). External firms as partners in business collaborate to improve the efficiency of the brand's supply chain. A collaborative relationship between a brand and its business partners can result in the efficient management of both products and its consumers (Gunasekaran and Ngai, 2004). Such collaborations aid the development of trust in addition to the growth of the brand and the profitability of the partner firms (Shocker et al., 1994). A relationship of trust between partners in business cultivates value by enabling brand managers to assess the future requirements of the consumers through an integration of logistics and channel management with the sales and marketing function of the brand (Webster, 2000). Such an integration depends on the design and implementation of a supply chain that originates with the manufacturer and ends with the consumers (Boyson et al., 1999).

Alvarado and Kotzab (2001) suggest that the integration of these two different domains has the capability of orchestrating activities between two different firms working together towards the creation of mutual superior value. The integration of activities between two firms is

a multifaceted phenomenon and has the ability to change the way the consumer is served. The nature of a supply chain that integrates marketing channels, sales, repair and re-sales can lead to the creation of a closed loop supply chain that contributes value to both the brand and its business partners (Guide et al., 2003). We view the channel as consisting of two subsystems, namely the channel management activities and the physical distribution activities (Papavassiliou et al., 2006). A mismatch between the logistics related services offered by business partners and the services required by brands for new and pre-owned products can lead to high levels of dissatisfaction at both ends of the supply chain, and the possible failure of the relationship between a brand and its local business customers (Power et al., 2007).

Brand Driven Reverse Channels

The complexity and competitiveness of industrial markets require manufacturers to look for innovative business models that allow them to demonstrate their ability to create demand by addressing issues beyond profits and growth (Amit and Zott, 2001; Woodruff, 1997). Traditionally, manufacturers have been interested in adopting brand based or service based business models that allow them to connect with the emotive needs and concerns of consumers (Gupta et al., 2012). Recently, a pragmatic shift has been identified in the concerns of consumers, based on their awareness of the innovation in sustainability initiatives issues faced by mankind. Researchers primarily attribute industries and businesses as responsible for these innovation in sustainability initiatives related issues. Societally, it has become vital that manufacturers integrate innovation in sustainability initiatives with their products and business activities.

Yet the marketing of innovation in sustainability initiatives oriented products through reverse activities appears to be more complicated than in the case of new products (Tibben-Lembke and Rogers, 2002). Tibben-Lembke and Rogers (2002) studied the reverse life cycle of branded products and reflected on their ability to maximise returns while maintaining brand integrity. Although previous research discusses how refurbished pre-owned products when offered through reverse logistics encourage industrial customers to assess the value the brand contributes to their business in various formats, it fails to explain how the brand can influence the innovative adoption of sustainability initiatives. Therefore, we anticipate that:

Proposition 2: The presence of a brand can influence the efficiency of adoption of the reverse channels for promotion of innovation in sustainability initiatives taken up by a manufacturer.

Value for Industrial Customers

Value for customers in the business context has been discussed widely in the academic literature (Anderson et al., 2000). Payne et al.'s (2001) value management framework integrates factors such as determination, creation, delivery and assessment in the generation of customer equity. The significance of value-based marketing has also been explained by Doyle (2001) as an important aspect of the business processes to be considered by firms seeking to create value for their customers. Lapierre (2000) studied value in the industrial context and empirically validated profit as an important determinant of value as assessed by business customers, while Wong and Dean (2009) placed emphasis on both profits and growth for driving the assessments and loyalty of customers. This work integrates three different facets of value discussed by previous researchers as determinants of value for business customer in the context of the reverse

management of a brand: customer equity, growth and profit. In the following sections these facets are individually explained and propositions for future research are made:

Customer Equity

In a 2005 study of reverse logistics for innovation in sustainability initiatives in the institutional context, Richey et al. (2005) considered the reverse flow of goods through marketing channels. They assert that excellence in reverse logistics is a strategic variable that allows companies to build customer equity based on the high cost attached to switching between different customers when they look for an alternative provider. Gupta et al. (2012) explored the innovation in sustainability initiatives related understanding of customers about reverse logistics and its ability to change the preferences of customers in a competitive market. It has been noted in the marketing literature (Keller, 1993) that building customer equity through customer preferences based on their satisfaction and loyalty leads to an increase in the cash flow of the company and improves its value as assessed by its shareholders. Although the capability of environmental change drivers to increase customer satisfaction is recognised in the academic literature (Blocker and Flint, 2007), its link with the value business customers look for from the reverse perspective and how it increases customer equity has not been explored. Hence, we argue that:

Proposition 3: An increase in efforts related to the management of reverse channels by a brand would enhance its customer equity by improving the business customers' assessment of the value offered by a brand.

Growth

The prime objective of small and medium sized firms working as a part of the marketing channel of a manufacturer is the desire to grow their businesses using the value offered by the manufacturer (Webster, 2000). When brands use such firms as their business customers they create opportunities of growth for the agent firms by increasing their customer base and the overall performance of their business (Gupta et al., 2012). Keller (1993) explained the differential effect of brand knowledge built on the basis of favourable and unique brand associations as customer based brand equity model. Gupta et al. (2012) explained how innovation in sustainability initiatives adopted by a brand influences the brand preferences of business consumers. Webster (2000) studied the three-way relationship between the brand, its consumers and business customers, with an aim to understand how value was delivered by brands in a market. Studies like Dick and Basu (1994), and Cherian and Jacob (2012) along with research conducted by Amit and Zott (2001) have used theories like the Theory of Reasoned Action to explain the influence of business performance on the assessment of value offered as business growth acknowledged by business customer firms. These studies have, however, failed to explain how the adoption of reverse channels in business practice can influence the growth of business customer firms. Hence, we explain our proposal as:

Proposition 4: An increase in efforts related to management of reverse channels by a brand will enhance the growth of the business customer firm.

Profit

Value conscious customers increase the competition between marketing channels and encourage brand managers to focus not only on hedonic benefits but also on the economic benefits that a brand provides to customers. The need for companies to create a competitive advantage that

addresses the value customers desire was addressed by Woodruff (1997), who proposed the use of outward orientation for the creation and implementation of customer value creation strategies. Profit also needs to be seen within the context of competition, risk and private property (Czinkota and Ronkainen, 2012). Ailawadi et al. (2001) studied the effect of the psychographic and demographic characteristics of customers on the purchasing decisions they make. The psychographic characteristics were based on three dimensions – economic, hedonic and costs. The economic dimension was evaluated using savings made and product quality, whereas, the costs dimension was based on factors related to switching, searching, thinking and inventory. The hedonic dimension was assessed by Ailawadi et al. (2001) using variables related to the demographic features of respondents such as age, sex, education level, employment status and annual household income. A combination of the two dimensions i.e. psychographic and demographic, if grounded in profit making aspect of reverse logistics, reveal the characteristics of customers who look for innovation in sustainability initiatives through refurbished pre-owned products offered by a brand that certifies the quality offered to them at a price that is affordable. A review of these arguments from the perspective of agency theory based on research conducted by Zu and Kaynak (2012) explains the contributions made by brands to the profits of business customer firms. But, they have failed to explain the argument from the perspective of reverse channel management practices. Therefore, we propose that:

Proposition 5: An increase in efforts related to management of reverse channels by a brand will enhance the profits of the business customer firm.

Webster (2000) suggests that the brand becomes valuable to both the consumer and the business customer when its marketing strategy is based on the careful coordination of its

marketing and sales activities with the delivery of products. Simpson et al. (2001) proposes a model of value creation from the perspective of business partners which highlights the role of market orientation in creating relational benefits for partner firms in addition to driving the product quality and price of the product with its physical distribution through logistics, channels, and service support. These factors, as per Simpson et al. (2001), cumulatively have the ability to improve the financial performance of the business partner, while decreasing the overall cost of the product, the cost of creation of sales opportunities and the cost of selling. As proposed by Simpson et al. (2001), these factors improve the value of the brand as perceived by its business customers, increase their satisfaction with the relationship and improve their cooperation and commitment.

Scope for Innovation in Sustainability

A consumer population whose purchasing ability is highly diverse is an important feature of a large market (Prahlad and Hammond, 2002). While one set of consumers in such markets seeks expensive luxury goods, a large segment in this market survives on very low income (Anderson and Markides, 2007). At the same time, a large section of the lower middle class in these markets emerges as a consumer segment that seeks lifestyle-improving products (Kharas, 2010). The distribution of income between different consumer segments requires businesses to adopt innovative business models and offer products priced to satisfy the individual needs and aspirations of the consumers in each segment (Viswanathan et al., 2009). Such diverse consumer segments within a market make it very attractive to the various brands seeking growth by the acquisition of a larger share of the consumer market (Kharas, 2010). To capitalise on the market potential and exploit the resources available in that country, it becomes important that brand

managers transform their business models into strategies that can allow them to satisfy consumers belonging to different segments (Gupta et al., 2008).

In a market, that is geographically very large, business partners as resellers or retailers of a brand provide access to remotely located consumer markets (Gupta et al., 2008). If the business opportunities are high, the availability of a product at a price that is based on the purchasing ability of the consumers can improve the performance of the brand. A competitive market enables a brand to target consumers with different purchasing abilities using resources available through business partner firms and create mutually beneficial value (Guide et al., 2003). It is likely that the value co-creation in the case of reverse logistics is limited for various reasons such as lack of strategic alignment, differences in priorities of the brand and customer firms based on the interests of different stakeholders

Markets with a large population also offer a large set of skilled labour, making it an attractive destination for businesses and their reverse channels (Gupta et al., 2008). Brands that operate through business partners in competitive markets have the opportunity to implement a reverse supply chain based on a forward and reverse business model (Jayaraman and Luo, 2007; Guide et al. 2003). A supply chain that supports innovation in sustainability initiatives through reverse logistics contributes to the growth and profitability of the business partner (Gupta et al., 2012). Business customers, in turn, can facilitate the utilisation of local resources such as the skilled manpower required to repair and refurbish products as per the quality guidelines provided by the brand and making them available to another set of consumers (Stark, 2015).

Research Implications

The topic of this research provides a number of implications for business-to-business theory and practice, apart from research opportunities. The contemporary challenges faced by businesses

require them to be actively engaged in adoptive sustainability promoting practices and initiatives that promote recycling and address issues related to waste management and climate change. Stakeholders today feel that it is important for brands and business managers to be conscious of these issues and consider these when they make strategic decisions about their operations and management approach. Today, companies that are internationally serving or remotely managing their business through a network of business customers can engage these customers as partners in a delivery chain for ensuring that their products are recycled and reused by a set of customers, before they are ultimately disposed off. The propositions made represent the initial efforts to understand the role of a reverse channel in pushing a sustainability agenda through business customer firms. These initiatives for ensuring value for the business customers of a brand provide opportunities for both theoretical and empirical research on the topic. Before an empirical research process is initiated, we recommend that all potential cues in the existing literature regarding the topic be used to form a taxonomy that will aid the process of theory development.

Innovation in Sustainability Initiatives as a Precursor for Promotion of Reverse Channels: This research extends the arguments made in innovation in sustainability initiatives theory by linking its three dimensions, i.e. economic, social and environmental, to reverse logistics and channel activities as a function of a closed loop supply chain. It uses the findings of Jane et al. (2010) to recommend practices of reverse logistics which will improve business performance. The arguments presented can enable researchers to make detailed assumptions about the causality that exists between the different variables that operate between the innovation in sustainability initiatives undertaken by a manufacturer through a closed loop supply chain with an aim to

create value for customers. Value thus created becomes an outcome of reverse logistics that has the ability to generate profits as an economic benefit and customer equity as a social benefit.

Brand Driven Reverse Channels for a Closed Loop Supply Chain: Based on the proposal of Marquardt et al. (2011), the conceptual framework refers to reverse logistics being managed by a company that offers its products using a brand name. It is important to relate these arguments to the segmentation and positioning aspects of a brand based on the understanding that the reverse logistics adopted by a brand not only position the brand above its competitors, but also help fulfill innovation in sustainability initiatives requirements and their benefits as perceived by individuals through the provision of reliable and good quality products by the brand to a segment of customers that lacks high purchasing power. These initiatives simultaneously create value for business customers in the form of increased profits and customer equity.

Value for Business Customers: The concept underlying the propositions made is that used products returned by consumers to other business customers of the brand will provide profit making opportunities. In order to address such opportunities, brands will be required to train their business customers on the skills required to make the pre-owned product saleable to another set of customers. Hence, the management of the reverse flow of products from consumer to business customers and the further extension of the supply chain by readying the pre-owned products for future use will involve the manufacturing firm owning the brand. The ability of business customers that are knowledgeable and skilled to repair and refurbish branded products can lead to an increase in their customer equity with respect to customer segments that have varied purchasing power and profit earning capability. As the Volkswagen pollution

measurement fracas in the United States has shown, the truthfulness and corrective intervention of firms can be another critical component for value creation (Czinkota and Enke, 2014). The transactions of business customer firms with different segments of customers result not only in a larger customer base but also in improved earnings and business growth.

Future Research

To summarise, the guidelines that we can provide for future research on this topic are related to innovation in sustainability initiatives that encourage the adoption of reverse logistics and use of a brand that can influence the efficiency of reverse logistics. We further explain how the adoption of reverse logistics can create value for industrial customers by improving the customer base and increasing the customer equity of the industrial firm. Our exploration reflects on the sale of both new and old goods through industrial firms, like goods received in part-exchange for new products will increase profits and creates value for business customers by improving their profile through the transfer of skills and knowledge about state of the art products, through which industrial firms are likely to experience higher growth.

Limitations

This research has certain limitations that should be addressed by future research on the topic. It uses current theoretical understanding to propose relationships and make propositions for future research. The propositions made should be empirically validated for the purpose of generalisation to different industry segments and business settings. A framework could be developed that incorporates the variables that are incidental to such a setting and that influence the efficiency of the propositions e.g. for marketing initiatives adopted by competitors for both

the consumer markets and business-to-business markets. Applicability of findings equally for both emerging economies and post-industrial societies requires additional research which uses data and enable managers operating in different markets to compare and contrast conditions, perceptions and outcomes of such actions.

Conclusion

Determining value for business customers is a complex challenge for manufacturers owning brands. This study contributes to the ongoing debate regarding the integration of the marketing function with operations management for creating value that satisfies the requirements of society from a broader view than the individualistic personal view of customers. The role played by brands in creating value for small firms who facilitate the supply of products in a country wherein customers have a diverse range of purchasing abilities is explored based on existing knowledge. The use of reverse logistics as an initiative of a brand to promote innovation in sustainability initiatives as a part of its closed loop supply chain, highlights the need for scholarly attention to this area of research. Synthesis of various theories provides a theoretical toolbox that can guide manufacturers of brands to create value by generating profits and enhancing the growth of industrial firms.

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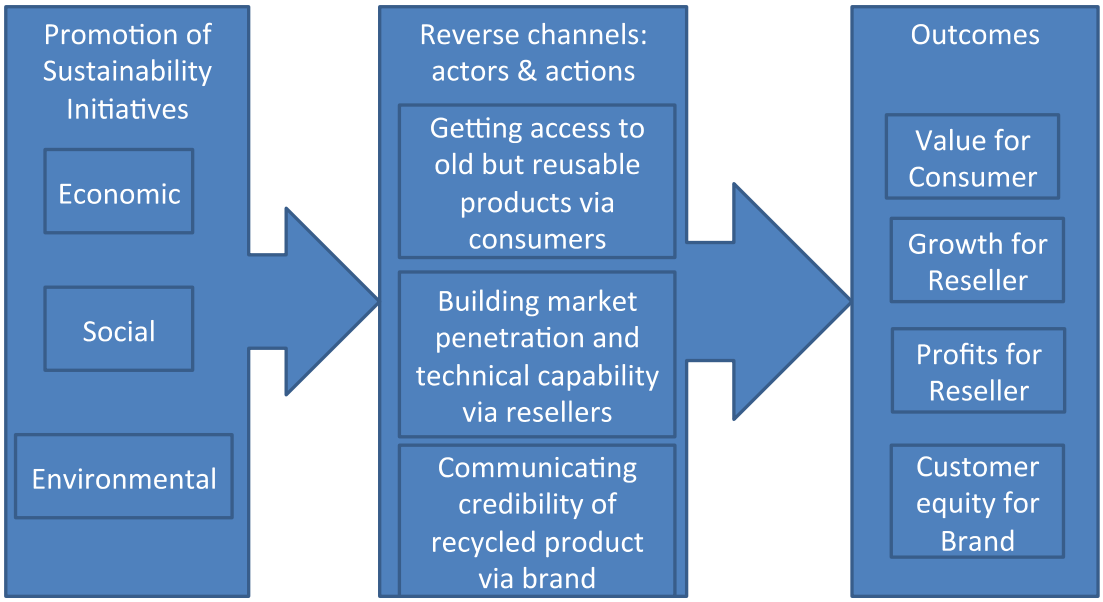

Figure 1