

2013

## Strategic Marketing by Small to Medium Sized Enterprises (SMEs)

Aniq Anwar  
*Newcastle College*

Follow this and additional works at: <https://scholars.fhsu.edu/aljsr>



Part of the [Social and Behavioral Sciences Commons](#)

---

### Recommended Citation

Anwar, Aniq (2013) "Strategic Marketing by Small to Medium Sized Enterprises (SMEs)," *Academic Leadership Journal in Student Research*: Vol. 1 , Article 1.

Available at: <https://scholars.fhsu.edu/aljsr/vol1/iss1/1>

This Article is brought to you for free and open access by FHSU Scholars Repository. It has been accepted for inclusion in Academic Leadership Journal in Student Research by an authorized editor of FHSU Scholars Repository.

# Strategic Marketing by Small to Medium Sized Enterprises (SMEs)

Aniq Anwar  
Newcastle College  
Level 7, Teaching Qualification

## **Abstract**

Although there are many stages involved within the strategic planning process which makes the process somewhat daunting and difficult to follow to the letter for SMEs, research suggests that strategic marketing plays an important role for the success of many businesses. The literature review conducted for this research suggests that many authors writing in the subject domain focus on such activities in large organisations when providing details on how to adapt the strategic marketing approach, and they tend to ignore these issues in relation to small and medium size organisations. To identify the importance of the strategic marketing approach for such organisations, research was conducted within a SME in order to find out the importance of strategic marketing for this business. The main focus in this Case Study approach was to identify if the organisation could adapt the strategic marketing approach within its unique environment in order to increase its sales and revenue figures. The findings suggested that the organisation's financial resources were the main issue impacting on strategic marketing planning; it is suggested that SMEs, due to lack of resources, might not follow the recommended approach to planning and may avoid some stages in the process in order to save money. The research indicates that there is a dearth of literature available for SMEs in this important subject domain as many books and authors tend only to focus on the process linked to large organisations.

## **Research Context**

This article summarizes research findings from a Case Study research project whose aim was to identify the importance and benefits of the strategic marketing planning concept for small and medium size enterprises (SMEs). In general secondary research suggests that strategic marketing

planning plays an important role for the success of every business, according to West, Ford, and Ibrahim (2010).

Within this case study Macmillan and Tampoe (2000) was reviewed in order to gain an in-depth understanding of the strategic marketing concept, the stages involved in the process, and how organisations may need to adapt the concept according to the size of the business

The researcher used the interview (3 interviews), questionnaire (27 employees) and the survey (189 customers) methods to collect primary research data within the study.

The qualitative data which includes semi-structured interviewing was reviewed and analysed using the HyperResearch (Researchware) software. For quantitative analysis for the questionnaire and survey data, the author used SPSS (Statistical Package for Social Scientists) from IBM, version 19 to organize and analyse the data gathered, and used many of the features available in SPSS; the detailed results are outlined and discussed below under the qualitative and quantitative data analysis headings.

### **Literature: Background**

Businesses that succeed do so by creating and keeping customers, according to Kotler (1996), and they do this by providing better value for the customer than the competition. The Marketing Planning Process in organisations must be constantly assessed as to which customers they are trying to reach and how they can design products and services that provide better value and competitive advantage, as expounded by Kotler (1996). The main problem with this process is that the environment in which businesses operate is dynamic and thus is ever changing. So it is now *de rigueur* that a business must adapt and respond to changes in the environment, and make decisions about how to change the marketing policies and procedures in order to succeed and remain competitive. Strategic marketing aims to provide organizations with useful knowledge on how to change, adapt and implement successful long term plans and strategies to achieve organizational aims and objectives as identified in Macmillan & Tampoe (2000). There is also a need for organisations to differentiate market planning from strategic marketing planning. The strategic market planning process prepares an organisation to develop a strategic response to the dynamic changing business environment, but marketing planning is only concerned with functional decisions related to the marketing mix elements. However, there is still a significant role to be played by marketing planning in the strategic planning process as suggested in West, Ford, and Ibrahim (2010).

Most marketing managers are now convinced about the benefits that businesses gain by following a strategic approach towards marketing. In the UK, research data indicates that the majority of businesses are involved in some kind of planning activity. The function of marketing has had an increasing influence upon the strategic development of businesses. The UK research data also indicates that the size of the business makes a crucial difference in adapting the strategic approach towards marketing – the findings of this study are supportive of this indication.

### **Findings of the Research**

## Qualitative Analysis

The company researched (a medium sized organisation in the IT sector) had an overall strategy to offer IT products at prices cheaper than competitors: PC World, Dabs and Dell. The company also offered free technical support whereas PC World, Dabs and Dell charge customers for any technical support. The organisation's Managing Director (MD) at the original interview suggested that the organisation's sales figures were still low and the reasons were basically still unknown by the company. The researcher speculated that the main reason could be because of the marketing department's failure to systematically analyse the competitor's products and services. According to the MD, for any business it was very important to know about their customers, but the MD could not provide any details on how the company segmented their customers from sales data. The outcome of the interview did not provide any reasons for the current sales issues, and according to the MD, both departments (marketing and sales) blamed each other for poor results. The information provided by the MD suggests to the researcher that the reasons for the current crisis could be because of 'old' methods and policies followed by the company. The company started as a very small business, so there (appeared) to be at that time no need for marketing planning and customer and competitor research. Over the past few years, the company has grown from a very small business into a substantive medium sized organisation. However, the qualitative data and subsequent analysis has suggested that the organisation has never conducted any detailed marketing research and the MD has never adapted the 'newer' approaches regarding marketing and sales. In order to highlight the issue in more detail, the researcher developed Thematic Code Maps from the 'raw' qualitative data collected. The following Thematic Code Map (see Figure 1) highlights the main points of this collated qualitative data from all interviews conducted ( n=3), and shows the essence of the interview content. The 'Code' headings represent the 'Themes' representative of the data (words) from the interviews and frequencies (totals) of occurrences are shown.

Frequency Bar Graph



**Figure 1 Themes and frequencies from Interview data – the themes represent the conceptual areas for data captured by frequency.**

The interview data was analysed in different stages, and the overall themes and frequency of occurrences were shown as in the above figure. The first stage analysed the current marketing and business environment. The second stage identified that the organization had not paid much attention towards a well-developed marketing approach, and the analysis also identified that very little marketing research has been conducted in the past. The third stage identified the main reasons for poor marketing performance, poor results and conflict among the staff. The third stage also identified the need for a strategic approach towards marketing, which aimed to deal and solve all the issues identified. For all stages of analysis, conversations were recorded, transcribed and then subjected to Content and Thematic analysis in a classical Qualitative protocol where the judgement of the researcher is paramount in allocating frequencies of occurrence to Codes and Themes identified (see Figure 1).

The advertising budget theme received the highest frequency of occurrence instances (6), and it is important to note that the MD suggested that the advertising budget is controlled by the sales department with no involvement from the marketing unit. The MD also explained that the advertising budget produces better results than the overall marketing budget, which appears of significance. The main marketing objectives were to make sure that prices were competitive and customers are happy with the services offered by the company. The aims and objectives needed to be realistic and achievable, as suggested by the MD. Over the past years, many new competitor businesses had been started, and because of that the company was facing an increase in competition. The marketing budget had been increased significantly, but had failed to achieve the desired objectives.

The company's overall strategy was and still is to offer prices cheaper than competitors, PC World, Dabs and Dell. The MD suggested that PC World was the main competitor. It is interesting to note that the MD could not provide any details on how the company segmented their customers, and it (the Segmentation theme) also received a low instance of occurrence, and thus importance from the qualitative analysis (frequency of 1, see figure 1), indicating its lack of perceived significance and importance. However, it is suggested by the researcher that the customers can be divided into four main categories: general sales, local trade, local authorities and online customers. The segmentation of customers is an important part of a successful marketing plan and segmentation also helps to target the customers with right strategies and offers. The lack of perceived importance of 'Segmentation' was considered important.

The outcome of the interviews was very successful in the researcher's view as it identified the need for a strategic marketing approach for the organization. The lack of marketing planning was clearly identified as the data indicated that the MD was not convinced with the outcome of the current processes followed by the marketing department. A lot of issues of conflict have been identified between the sales and marketing departments, and it is suggested they may be implicated in the outcomes identified.

An important part of marketing planning is to involve all the employees of an organisation for successful results as suggested by Brassington and Pettitt (2006). The low frequency instances of themes linked to marketing and planning and marketing research are clearly significant, showing a lack of perceived importance of such issues (see Figure 1).

## **Quantitative Analysis**

Data was analysed as mentioned previously using the SPSS software to facilitate graphs, charts and tables.

## **Results (1)**

**Figure 2 Perspectives on performance of marketing department (n = 27), which indicates more subjects believe that the Marketing Department Performance 'can be improved'.**

AA2 (625x500)

The above Graph (Figure 2) shows the results from the SPSS analysis and indicates how the respondents/employees (n = 27) from the questionnaire assessed the performance of the marketing department. The participants replied in a majority indicating the strong perception that the performance of the marketing department could clearly be improved. This question was designed in order to identify the current marketing environment within the organisation and to identify the performance of the marketing department. The result from respondents to this question was considered as very important as it identified the clear need for a strategic marketing approach for the organization. The respondents/employees in this question were asked about the marketing department's performance and were given three options to select, 'Good', 'Bad' and 'Can be improved'. Out of 27 respondents/employees who completed the questionnaire 16 (59.26%) said that the performance can be improved and 11 (40.74%) said that the performance is bad.

It was interesting (and significant) to note that none of the respondents/employees selected the option 'Good' which highlights the view that the marketing department is not performing well. In interviews with the MD and the Sales Team Leader, similar answers and responses were also recorded.

## Results (2)

**Figure 3 Comments from customers about future use of services of the company (n = 189), with the highest category answering 'No' to the 'use of services in the future', followed by 'Yes' and lastly that it 'depends on the price'.**

AA3

The above Graph (Figure 3) from the SPSS analysis shows the number of respondents/customers from the survey data (n = 189) and the responses recorded to the question asking about the future use of services offered by the company. The question was designed in order to determine whether customers would come back to the store to buy IT products. Out of 189 respondents/customers, 65 (34.39%) said that they will come back to buy products and 52 (27.51%) responded by saying that it would depend on the prices. It was interesting to see that 72 (38.10) respondents said that they would not come back to buy products from this organisation. The 'No thank you' group dominates and shows that a majority of the customers might not come back due to higher prices as compared to other organizations which appears to contradict somewhat the information identified in the qualitative analysis from the interviews that the prices offered by the organisation were cheaper as compared to other organisations.

To understand the relationship between the questions as variables within the survey sample of customers (n = 189), the researcher used the Spearman's rho (non-parametric test) statistical correlation test. In order to align the test with the Case Study objectives, the researcher selected those questions which were considered as important to understand the importance of a strategic marketing approach for the organization. A positive correlation result suggested that any changes in the prices offered by the organization might also bring the same changes with customer's attitude to competitors. It suggests that if the prices are higher, the price comparison will also be higher, and if the prices are lower, the price comparison will also be lower, and thus it can have

both, positive and negative effects on the sale targets set by the organisation where the 'Price' tool is used as the main element in increasing or decreasing the sale figures.

Lancaster, Massingham and Ashford (2001) highlight a very important point: that large organisations have the ability and resources required for marketing planning. The more money these big companies spend, the better the results and the profits. Thus marketing activities will have a major impact on the small businesses marketing activities; interestingly most marketing texts focus on large organisations' marketing activities and ignore the marketing environment within small and medium sized organizations. The researcher strongly agrees with this point that marketing texts and literature focus on large organization and ignore small companies. The researcher also agrees that a strategic marketing approach will need to be different for small and medium size organizations as identified within this Case Study of a medium sized organisation where the MD also highlighted this issue related to finance and resource availability. Clearly some aspects within the strategic marketing approach can be very important and some can be less important. The researcher identifies and suggests that the affordability approach will be the best method in terms of identifying and allocating the resources according to the organisation size, but each stage should be analysed and considered carefully. The quantitative analysis of the questionnaire responses by the company employees (n = 27) also shows very interesting results in relation to the sales and marketing environment. The results suggest that many employees consider that there was always a conflict between the sales and the marketing departments in the organisation; this result was also identified in the interview data analysis (see Figure 1). A large number of employees had the perception that a well developed marketing approach can help the organisation to solve *all* pertinent issues. The need for professional marketing research was also identified as the organization has conducted very little marketing research in the past. An on-line survey of the customers (n = 189) also identified that customers would buy from other organizations if the prices are not competitive (from the company being researched), and customers do check prices before buying from this local store. Some customers suggested that prices were expensive, which is very interesting, considering the MD's belief that prices offered were cheap and competitive. The analysis from the employees' data also indicated the perception that the marketing department had always missed its set targets, and the current polices never produced the desired results. It is suggested that to remain competitive, the company will need to adapt a strong marketing approach and make sure that all the departments work together. Involving staff in the decision making process was vital, and the organization acting upon the suggestions by the customers was also vital.

The research outcomes identified within the pertinent literature examined that there is a very strong link between strategic marketing and business success, and that planning is not just the responsibility of the marketing department. The necessary planning should be a teamwork effort and not an individual one. All the departments should be involved in the writing of a marketing plan (identified from Interview transcripts). This is supported from one interviewee, quote, "we all need more involvement in the planning process, and this would ensure the accurate information available for the plan".

Strategic marketing aims to involve all the departments in the decision making process, according to Kotler (2005) and to make sure that all the departments work together to achieve common marketing and organizational objectives, according to Robson (1997). The research data explains