

Strategic Planning Process of SMEs During their Online Store Development: A Focus on Defining Goals and Objectives

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and

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Abstract

In the following study, we have used questionnaires to online businesses in Greece in order to determine if setting their goals based on the SMART goal setting theory would have a positive impact on their performance and our findings show evidence towards agreeing with this statement.

Also, we have established the time frame for short and long terms goals for those companies as 4 and 36 months equivalently.

In the end, we have checked whether online business managers set the same short as long term goals. Our findings show that, in both cases, the goals have to do with economic advance (more clients, expansion), however survival is more important in the short term goals, while on the long term goals, online businesses focus on portfolio diversification and innovation.

Acknowledgements

First and foremost , I would like to dedicate this dissertation to my family , who supported me in every aspect throughout the entire program , especially my fiancé Dimitra . I would also like to thank our supervisor, Prof. Andriopoulos, who has helped us with his comments and remarks throughout the whole process of carrying out the following research.

Voutsinos Spiros

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Papavasiliou Dimitris

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Chapter 1

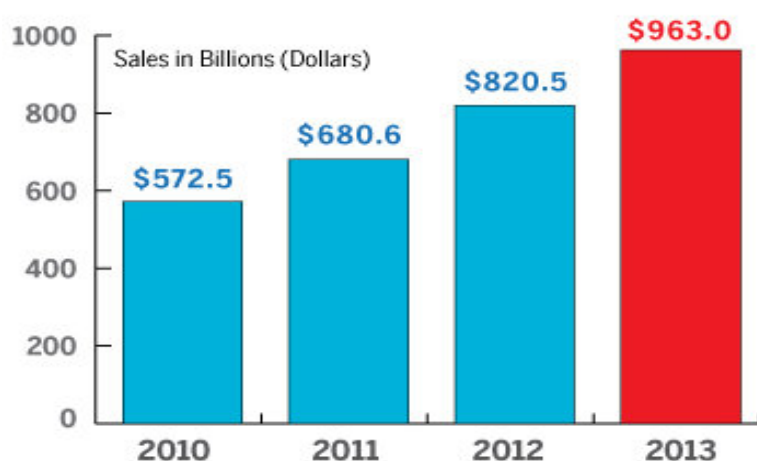
1. General Introduction

This chapter will provide some definitions essential for our study. A background analysis of the study is also presented in the current global and regional situation as it relates to the topic. In the background, a short history of online stores is given. Next we will look at the statement of the problem, which led to the conceptualization of the study and analyze as well the objectives of the study that will be our guide for research. After the objectives, it will provide the scope under which this study will be centred. Next it will look at the significance of this study providing reasons as to why it should be carried out. It will then look at some of the limitations that were experienced in the process of carrying out this study before providing a short summary of what was discussed in the whole of this chapter in the conclusion.

1.1 Background of the study

It regularly becomes clearer that steps towards promoting entrepreneurship are becoming more and more intense , especially in EU via the “Small Business Act for Europe” (June 2008) and other initiatives (EU Skills Panorama , etc .) . Nowadays with the unemployment rates at record high percentages in the Eurozone , for example Greece and Spain close to 27% (source: Eurostat) , people are more inclined to start their own business to overcome the economic crisis .

On the other hand , we have the online stores , which are the fastest growing segment (D . Bowden , 2012) . Global online sales increase at a rate of 19% per year . According to Goldman Sachs , worldwide e-commerce sales will reach \$1 trillion by 2013 .



Graph: Online sales in Billions (\$)

Source: Internet Retailer

Therefore , the study of new online stores for Small and Medium Businesses is both a very interesting , as well as a current issue .

1.1.1 History of online stores

1979 – Michael Aldrich was the individual who came up with notion of teleshopping in the year 1979 , which we describe as today online shopping , the idea which revolutionized the means commerce is done. Akin services were also in an embryonic phase in US under “the source” and “Compuserve”.

1982 – Minitel launched the most thriving services where a consumer could make an online acquisition or check share market prices , search telephone records or have a chat.

1987 – The Swreg , which was an outcome of Compuserve , developed a platform for online marketplace where the products could be sold using “merchant account”.

1990 – The beginning of World Wide Web , primary browser to view the web bring revolution in the approach internet was used, which later on revolutionized the online stores and commodities .

1992 – “Future Shop: How innovative technologies will alter the way we shop and what we acquire” book written by J.H. Snider and Terra Ziporyn provided a radical point of view to the potential of online shopping.

1994 – Beginning of Secure sockets layer (SSL) encryption to carry out protected dealings. Pizza Hut commenced their online order processing while there were websites, which were trading cars , bikes and adult content.

1995 – Amazon.com brings the revolution in the online business by selling almost everything on its site. The radio HK and Net Radio did their online broadcasting; E-bay introduced the online auction process and there were companies like Dell and Cisco, which initiated the transactions using internet.

1999 – Initiation of software to assist peer to peer sharing , an assortment of acquisitions in US by electronic Companies worth of 7.500.000 million USD.

2002 – E-bay acquired PayPal , a corporation that provided an alternative to cash or check payment online. Numerous online stores came up with the conception of domain-precise product.

2003 – Prime of life of online shopping and primary yearly revenue publicized by Amazon.com.

2008 onwards – Remarkable growth in the e-commerce market with sales data reaching \$200 Million and beyond. Amazon.com approximated that daily proceeds reached approximately US \$2.5 trillion, whereas E-bay sales USD 1.89 billion.

1.2 The statement of the research problem

Launching an online store requires more knowledge of electronic commerce than what actually entrepreneurs think. The management is faced with the duty or gathering relevant information that can help in making sound decisions regarding how the online store is to be marketed , what is to be included , the prices to be provided , the bonus schemes and attractive ways that can get the attention of customers.

A successful online store will require that managers conduct a deep background study regarding its audience , payment methods , and laws governing online transactions and how to conduct advertisement online. Our focus on this study will be how the entrepreneur or an existing business defines the goals and objectives it expects from the launching of an online store . We believe that is a very important matter to study , since it is the first step that needs to be taken in every strategic planning process . This is what the study will focus on to unravel the issue of goal setting before launching an online store by SMEs businesses.

1.2.1 Research Questions

As we can notice previous researchers have mainly focused on what goals and objectives a manager should set , when taking a first (or a second) step in his business . They have also examined the subjectivity due to lack of goals .

Our research questions lie on how managers and entrepreneurs choose to set their goals and objectives prior to the launch of an online store . Are their online goals in line with their offline goals? How do they determine of the importance of the goals set? Do they even bother to define clearly their goals and objectives at all or maybe the relatively small cost of launching an online business allow them to skip this part (or all of it) of the planning process? Do they plan to use any tools to define their goals (i.e. Google Analytics) or will they do it with the plain pen and paper approach? What factors do they base on to assure them that the launch will be successful? Do they experience any challenges in deciding what goals and objectives to set? Do the set objectives need to resemble the offline business objectives and goals? What reasons makes SMEs launch online stores? Do managers prioritize goals when launching the online stores?

1.2.2 Methodology

Like any research , this would also have to be undertaken by a research methodology appropriate for it . Research can be categorized into two different types: qualitative and quantitative , each of which has both advantages and disadvantages (Amaratunga et al . 2002; Saunders , Lewis &Thornhill 2007) .

In our case , we believe that the most appropriate model to follow would be a quantitative analysis based on answers collected by structured questionnaires . We believe that a number of at least 150 respondents will allow us to safely come to conclusions given the time frame of the study . Our initial approach will be to email them questionnaires to Greek companies , however if needed, we will expand our approach method by handing the questionnaires to managers by mail or face to face .

1.3 Purpose of the study

The purpose of the study would be to arrive at conclusion that how managers and entrepreneurs set up their goals and objective. The objectives of this study therefore are to find out if:

- Setting of goals and objectives according to the SMART goal setting model is important for the success of the organization
- If the short term goals and objectives differ from the long term goals and objectives of the business

The primary aim and purpose of the research is to understand the goal setting exercise done by managers , SME or entrepreneurs and to articulate the findings.

1.4 Scope of the research

The study examines how managers set goals and objectives before launching online stores. It analyses online stores from the SMEs perspective and provide more information as to why SMEs find it important to venture into the online store business. The study therefore revolves around managers , entrepreneurs and SMEs and how they align themselves with the primary activities of launching an online store.

1.5 Justification of the Research

Decision's making remains an essential element in any successful business regardless of the segment chosen for venturing. Strategic decisions need to be made regarding the goals and objectives which will provide a benchmark that will allow other policies and guidelines to be made. The research work is required to justify the importance of goal setting before commencement of any major tasks by the manager and entrepreneur during handling the online store.

1.5.1 Research Gap

Modern and past literature on the subject of goal setting theory and SMART goal setting criteria is quite wide . However , we have identified a research gap between applying the SMART goal criteria on an online business environment .

We strongly believe that this matter is not only interesting due to the matters it deals with , which are the online market (a multi-billion market nowadays) and the developing of goals during the beginning of that new strategic step , but also because they are both very up to date . On the one hand , we have a boom in the usage of internet throughout every age group and on the other hand , we have a very important step during the life of a small or medium business unit , which is to go online and explore the possibility of broadening their market reach , many of whom is the first step in their creation .

1.6 Significance of the study

This study is important for all the SMEs businesses seeking to launch their online stores. This is because it will examine all aspects of decision making regarding the primary activities of launching the online stores and challenges that can be faced. It will also be important for managers and entrepreneurs who seek to find more information on the business of electronic commerce. It will also contribute knowledge on decision making in by managers at the time of setting both online and offline stores goals and objectives.

1.6.1 Expectations

Our expected conclusions on this research are not optimistic . We believe that managers of SMEs and entrepreneurs do not set any goals , before making their effort on the digital world . We expect to receive answers suggesting that the goals are in line mostly with the life obligations of the manager / entrepreneur (i.e. . children tuition , living costs , etc .) rather than based on business criteria (competition , sector development , etc .) . Also , we believe that a great number will also suggest that they start without setting any goals , but rather will wait to see the results and if deemed successful (again without any measure to compare to) they will decide to continue with their tryout .

1.7 Limitations of the research

The study only covers strategic planning process of SMEs during their online store development. This is by focusing on how management or entrepreneurs define and set their goals and objectives. This is because of the various aspects and issues of time and financial constraints. The study will only be limited to online stores and SMEs businesses and a brief comparison with the offline business. The study will examine the activities in online store strategic decision making process and not offline stores strategic decision making.

1.8 Definition of Key Terms

Online Store – is a web based platform enabled by internet where consumers can directly buy goods and services from a seller. Alternative named as e-store , e-shop.

Goal Setting – It involves a process to establish SMART goals (*Specific , Measurable , Achievable , Realistic and Time Bound*). It is an effective tool to measure the progress against the set goals which were set at beginning of a task or activity.

Manager – is the designated person who is responsible for running day to day operations. People working in a store or assigned department report to him.

Entrepreneur – an individual involver who has innovative idea or business thought which he organize and transform into a workable business solution. He manages all financial and non-financial risk aligned with that particular business.

1.9 The Structure of The Dissertation

The dissertation is primarily structured into five segments , which provides a comprehensive view of the complete research work on goal setting exercise for online store managers and entrepreneur. The introduction of the online stores and further followed by overview about the SME business and objectives.

The set of questionnaire was developed to collect the quantitative and qualitative analysis data set which could be further analysed to arrive at conclusion.

1.10 Chapter Summary

The goal of the chapter is to provide a brief introduction about online store and key terms. It also provides insight about the scope of the study and the different relevance required to ensure study is comprehensive. The questionnaire designed to ensure the aims and objectives of the study are met and required outcome is shared with the larger audience.

Chapter 2

2. Literature Overview

In this chapter a background analysis of SME's business is provided and examination of the growth of online stores as a segment of the business examined. The chapter also examines the reasons why SME's launch online stores and costs associated with it. Also, goal setting process by SME's managers and entrepreneurs prior to launching online stores is also studied. The chapter completes the study with an examination of tools used in defining goals before launching an online store.

2.1 Background knowledge of small and medium businesses

SME's are non-subsidiary , independent firms that employ less employees. They are very diverse and encompass many different sectors and activities. They are firms with less than 250 employees. Fingleton , Eraydin , & Paci (2003) , specify that economically , SME's provide a source of new jobs and can be considered having innovative entrepreneurs who can sense opportunities , take risks and innovate while developing new business ideas. According to European commission (2003) an SME has below 250 employees, below 50 million Euros turnover or below 43 million Euros total balance sheet. However, those number are different when compared from country to country (i.e. could be 200 employees in Australia or 19 in New Zealand) and in some cases the numbers could be different in the same country, but within different business sectors.

2.2 Goal Setting

Entrepreneur Media (2010) states that setting goals should have some specific characteristics . These should be optimism , realism , specificity , short and long term . These are some more generic characteristics that should appear in everyone's goals . However , since people are different , their goals and objectives for their business must also address that . Therefore , they have to be based on their present earnings , their lifestyle , their type of work and the gratification of their ego . It is clear that it would be neither realistic nor based on their type of occupation for a start-up artist to sell his first work of art for 1 million Euros .

Every director and entrepreneur understand naturally how his business works , but in many cases she or he is rarely able to communicate it in a clear and simple way [Linder et al. , 2001] . This also might be the case when in privately held companies there is a lack of data to be used; managers tend to use subjective measures over objective measures either due to lack of knowledge or lack of specifically defined goals (G . Dess and R . Robinson , 1984) .

Doran (1981) defines the acronym SMART in order to assist managers in setting goals without forgetting a significant attribute of a correct goal. The letters can have a twofold meaning, but the original traits are the following.

- (S) pecific
- (M) easurable
- (A) chievable
- (R) elevant
- (T) ime-bound

Over the course of time the traits have been multiplied and adjusted based on the beliefs of each researcher. For instance, even though M was originally portrayed by measurability of a goal (i.e. acquire 12 new clients), other researchers have translated it as motivation (Yemm, 2013) or manageable (Yemm, 2013) or meaningful (Piskurich, 2011). Of course the same applies to any other letter in the acronym with much more different interpretations in some cases. In the latest years the acronym is also portrayed as SMARTER, when Yemm (2013) also added Evaluation and Reevaluation into the traits.

However, what needs to be kept into consideration is the fact that each of those traits for the goal setting does not guarantee success. It is important to keep a deadline for your goals, but not enforcing it or rewarding completion before it will simply void its purpose.

2.3 Online Stores Growth

Most of us are already aware of the fact that online marketplace is constantly evolving and most importantly expanding. "Online shopping will be worth £50bn a year by 2018, when one in every seven retail pounds will be spent over the internet, a new study has claimed. That means ecommerce growth of almost 50% over the next five years, according to Verdict Retail." (Rigby, 2013)

This is part of a strategic procedure that most companies are trying to undertake currently. Even the largest supermarket chains are striving in order to assist their clients to purchase goods online. This is happening for operational reasons, because not only there is growth to be exploited, but allows for lower operational costs for many firms. An indicative example comes from the UK giant Tesco as written in the Q1 2013 report : " Online grocery remains the fastest growing channel in the market and our own sales growth continues to outperform. We have continued to strengthen our offer for customers and have driven further improvements in product availability, product quality and overall customer satisfaction. Customers have a relationship with their mobile phones and tablets that is closer and more intimate than any other technology".

The growth in the online retail cannot only be attributed at the efforts of the firms alone. The exposure of consumers to internet is nowadays much lengthier than in the past. Beginning with the traditional personal computers, people nowadays can access the internet from their Smartphone, their tablets, their gaming consoles, their television and in extreme scenarios even from their refrigerators. That change allows for online stores to be open 24/7 and rack up sales with tremendous growth rates.

Another issue that drove the increase of online stores is the literally negligent amount of money needed in order to setup and operate one. Assuming, one hasn't any computer expertise to undertake any of the steps alone. He would probably need an amount around 500 Euros for an IT company to do the job for him (even though with a little market research that could be as low as 300 Euros). In the scenario, he would be willing to invest some time and try to formulate the online store on his own, he would literally be able to do it for free or at a 50 Euro cost per year for domain registration and hosting. As one could easily understand, an investment of 500 Euros that would allow you to expose your store to millions is most of the times, if not always, worthy proceeding.

2.4 Online Tools for Goal Setting

"Online goal setting and tracking is much easier since your goal's details are available anywhere you have an Internet connection, which makes it perfect for group or business goals." (Crowder, 2011)

There is very high number of goal setting, observing and reviewing software in order to keep track on your online business metrics. As the market is growing developers and well known websites, try to assist their clients by providing customized programs that assist managers in their day-to-day goal setting activities.

It would be a big surprise if Google did not offer such a program for its client base. Google Analytics is an online tool that allows for observation of your website metrics. A few of the goals a manager can set by using this tool are as follows:

- Unique visitors (first - time)
- Recurring visitors
- Pages seen per visit
- Time spent per visit
- Bouncing rate (leaving after visiting only the home page)
- Account registrations
- Sales completed
- ROI

These are only a few of the examples that this particular tool can measure automatically and conveniently for the website owner. Another well-known tool is Alexa.com, which has some of its features the same as Google Analytics, but it offers a unique ranking of websites based on their page visits. Therefore, it is a very common goal for online business owners to monitor their ranking globally, locally and against their competitors.

Online retails usually setup up social accounts for their businesses for promotion purposes. Each of these social websites (i.e. Facebook, Twitter, Instagram, LinkedIn, etc.) has its own analytics tools that assist you in observing the development of their social media account. A very common goal in such cases is the amount of "followers" (Twitter, Instagram, LinkedIn, etc.) or "likes" (Facebook), you get from your existing or potential clients. There are also some tools that allow you via a simple interface to promote and monitor all of your social media accounts (i.e. HootSuite).

As we can easily see, the choices a manager can make in the tools that would help him setup and monitor the goals for his online business are numerous and the choices each of these programs have to offer are plentiful. However, the trickiest part for him is not only to be able to choose the correct tool, but to also limit the goals he set to the absolutely minimum required for him to better understand his course of business and allow him to expand it. What would be the point in having to monitor 100 different goals every day, if you are unable to proceed with more core functions of your business (purchasing, selling, promoting, etc.).

2.5 Chapter Summary

In the current chapter, we have seen a few details as regards to the SME's, we analyzed the goal setting methodology, provided with an overview of the latest trends in online store growth and finished the chapter with a short presentation of the online tools available that could assist managers to set their goals.

Chapter 3

3. Research Introduction

In the following chapter , we will examine thoroughly the methodology used in the research , present the setting of the participants , explain the questions raised and provide the tools we have used for the analysis .

3.1 Research Steps

The research was conducted in two steps . After the original questionnaire was created , we provided it to a small sample of 6 people suitable for the research in order to provide their feedback on the clarity of the questions . The selection of the participants was made from companies , which are business associates of Sidapharm Greece , the company where Voutsinos Spiros was working at the time . Additional comments were also taken into consideration and changes have also been made in the type and number of questions . The preliminary research took place in the second week of September 2013 .

3.1.1 Preliminary Research

More specifically the following changes have been made in the original questionnaire , thanks to the contribution of the participants .

- In the first question "Which company does your industry belong to?" , the choices of "Legal Services" and "Media/Communications" were added .
- Regarding sixth and eighth question , which were originally "What is the main focus of your short (long) term goals?" , which were closed-end questions were replaced with the open-end questions "Please describe your short (long) term goals . "
- Question number 15 was originally "Changing goals is vital for survival . " , however it was deemed to have different meaning within the group of participants and was therefore changed to "I like to often change the goals for my online business . " , placing more emphasis on the need to change goals based on what the owner / supervisor wants rather than what the market dictates .
- Question number 21 was originally "Vague goals are better . " , but all participants felt the need for a further clarification on it and therefore we provided a more explanatory question which was "Vague goals (i . e . increase in sales) give better results than specific goals (i . e . 10% increase in sales) . " .
- On all demographic questions , we added the option "I prefer not to answer . " in order to provide to participants the ability to skip personal information if they felt the need to do so .
- Various typos and miniscule details or rephrases took place as well .

3.1.2 Main Research

The second part of our research was the conduct of the research itself . 71 participants took place in a questionnaire that was completed electronically through Google Drive . The participants were approached via mass email communication using company directories that are available online. Below you can find the full demographic analysis of the participants.

Age of participants in the study ranged from 19 to 61 years old. We can observe as one would expect more observations in the middle ages. This is due to the fact that people of that age 25-54 are more likely to be computer literate and also be in position to set goals to their subordinates. The age group 15 - 24 is observed only 4 times even though they do have technology knowledge they do not hold yet the position to make decision. Vice versa is what happens in the 55 - 64 group , where we can notice only 3 observations.

| Age Group | Number of observations | % of total |
|-----------|------------------------|------------|
| 15 - 24 | 4 | 5.7 |
| 25 - 34 | 31 | 43.7 |
| 35 - 44 | 24 | 33.8 |
| 45 - 54 | 9 | 12.8 |
| 55 - 64 | 3 | 4.3 |

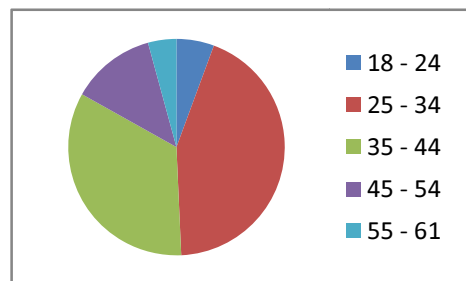
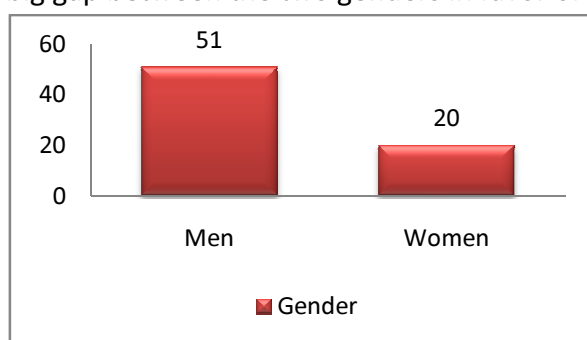


Table: Age group analysis of participants Graph: Age group analysis of participants

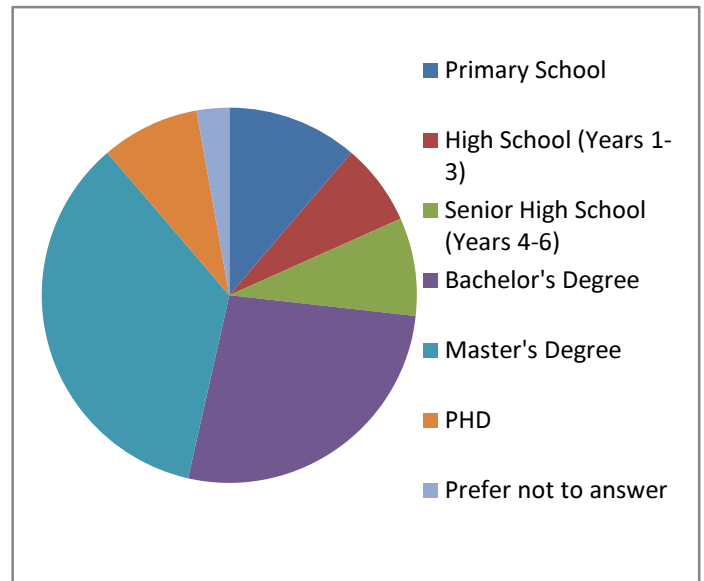
There were 20 women that participated in the study constituting 28.17% of the sample and 51 men constituting the rest 71.83%. It is important here to note the big gap between the two genders in favor of men.



Graph: Gender analysis of the participants

Below you can see the analysis of the education of the participants. We can observe that at least six out of ten people had university education.

| Education level | Number of observations | % of total |
|--------------------------------|------------------------|------------|
| Primary School | 8 | 11.3 |
| High School (Years 1-3) | 5 | 7.1 |
| Senior High School (Years 4-6) | 6 | 8.4 |
| Bachelor's Degree | 19 | 26.7 |
| Master's Degree | 25 | 35.2 |
| PHD | 6 | 8.5 |
| Prefer not to answer | 2 | 2.8 |



Graph: Educational Analysis of participants

Table: Educational Analysis of participants

Next demographic information regarding the participants is their marital status.

| Marital Status | Number of observations | % of total |
|----------------------|------------------------|------------|
| Single | 30 | 42.2 |
| Married | 31 | 43.6 |
| Divorced | 8 | 11.2 |
| Widowed | 1 | 1.5 |
| Prefer not to answer | 1 | 1.5 |

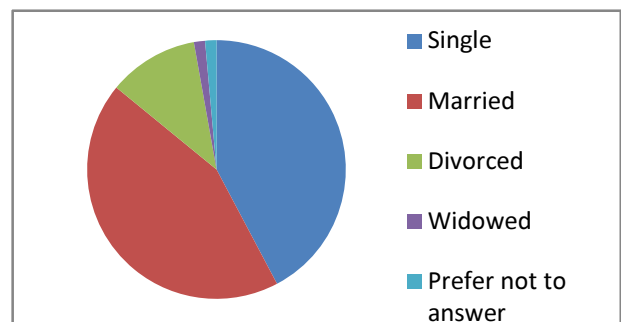


Table: Marital Status of participants

Graph: Marital Status of Participants

The last demographic information of the participants is their employment status. Most participants in the study , were also the owners of their business.

| Employment Status | Number of observations | % of total |
|--------------------------|-------------------------------|-------------------|
| Employee | 22 | 31.0 |
| Self Employed | 45 | 63.3 |
| Prefer not to answer | 4 | 5.7 |

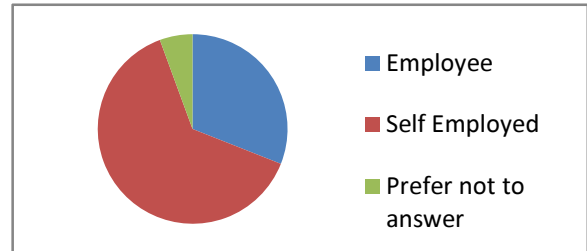


Table: Employment Status of participants Graph: Employment Status of Participants

Next , we will present the research setting of the companies that participated in our study. Our focus was on SME (as defined by EC less than 250 employees or less than 50 million Euros annual turnover) and the average company on the research was founded in 1996 , employed 10 people and had an annual turnover in the 100.000 - 500.000 range.

More analytically the number of employees for the firms ranged between no employees up to 87 people.

| People Employed | Number of observations | % of total |
|-----------------------------|-------------------------------|-------------------|
| Very Small Company (0 - 10) | 49 | 69.0 |
| Small Company (11 - 50) | 21 | 29.5 |
| Medium Company (51 - 250) | 1 | 1.5 |

Graph: Employees per firm analysis

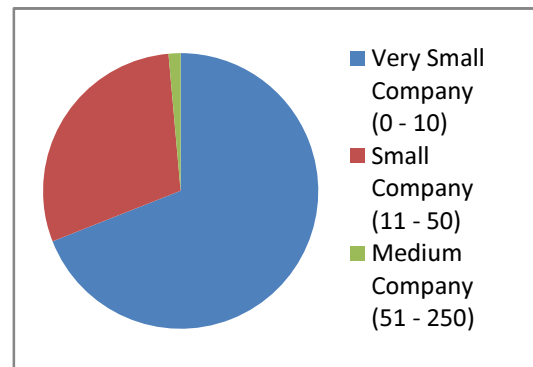


Table: Employees per firm analysis

The next important piece of information of the companies that participated in the study is their annual turnover. We have divided it into 4 categories that would provide a better picture.

| Annual Turnover in Euros | Number of observations | % of total |
|--------------------------|------------------------|------------|
| 0 - 100.000 | 25 | 35.2 |
| 100.001 - 500.000 | 23 | 32.4 |
| 500.001 - 1.000.000 | 12 | 16.9 |
| 1.000.001+ | 11 | 15.5 |

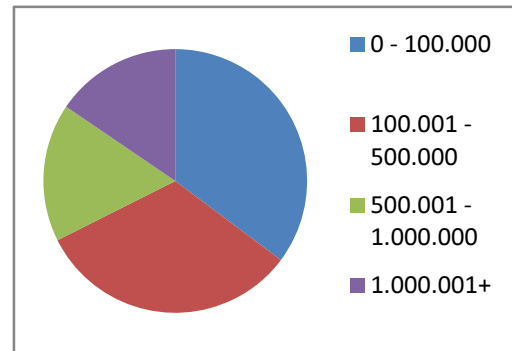


Table: Annual Turnover of Companies Graph: Annual Turnover of Companies

Foundation year of the companies that participated in the study ranges from 1960 up to 2013. We can observe that the number of old companies is low. We can also observe that more than half were created within 2000.

| Foundation Year | Number of observations | % of total |
|-----------------|------------------------|------------|
| 1960 - 1970 | 3 | 4.2 |
| 1971 - 1980 | 8 | 11.2 |
| 1981 - 1990 | 7 | 9.8 |
| 1991 - 2000 | 15 | 21.2 |
| 2001 - 2010 | 30 | 42.4 |
| 2011 - 2013 | 8 | 11.2 |

Graph: Foundation year of companies

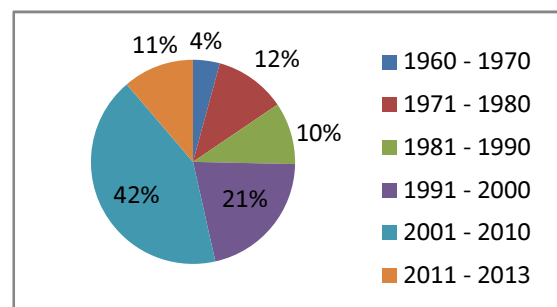


Table: Foundation year of companies

We have asked the participants to state whether their companies had physical presence or only existed online.

| Presence | Number of observations | % of total |
|---------------------------------|------------------------|------------|
| Only Online | 15 | 21.2 |
| Both Online - Physical Presence | 56 | 78.8 |

Graph: Presence of companies

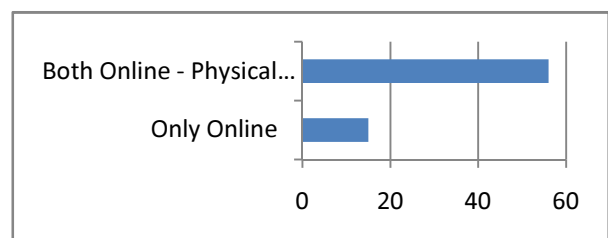
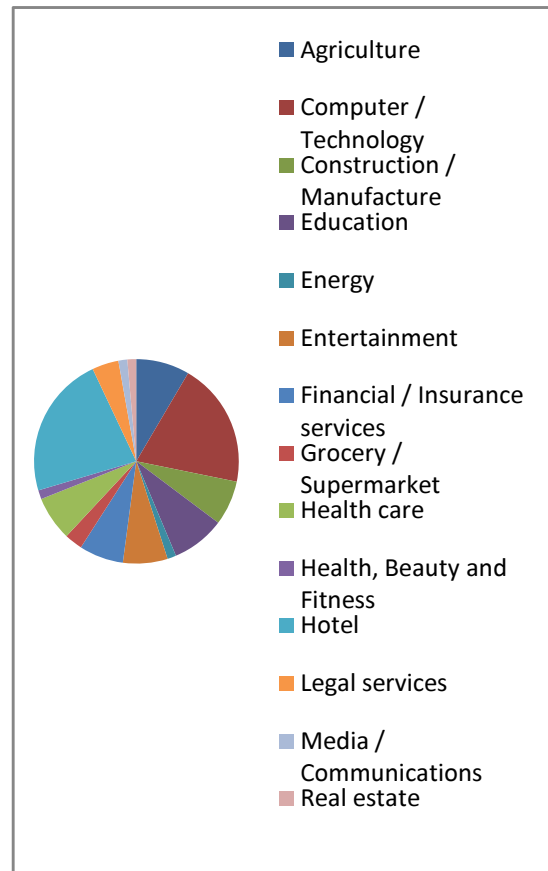


Table: Presence of companies in the study

The last bit of information we have collected was the sector that each company operated in.

| Sector | Number of observations | % of total |
|--------------------------------|------------------------|------------|
| Agriculture | 6 | 8.5 |
| Computer / Technology | 14 | 19.7 |
| Construction / Manufacture | 5 | 7.1 |
| Education | 6 | 8.5 |
| Energy | 1 | 1.3 |
| Entertainment | 5 | 7.1 |
| Financial / Insurance services | 5 | 7.1 |
| Grocery / Supermarket | 2 | 2.9 |
| Health care | 5 | 7.1 |
| Health , Beauty and Fitness | 1 | 1.3 |
| Hotel | 16 | 22.5 |
| Legal services | 3 | 4.3 |
| Media / Communications | 1 | 1.3 |
| Real estate | 1 | 1.3 |



Graph: Sector of the companies

Table: Sector of the companies in the study

3.2 Methodology

As we have briefly explained above , we have based our research into both qualitative and quantitative methodologies. More specifically , we have used a structured questionnaire , spread it via electronic means (using Google Drive) and received responses via the Internet. We have used online databases of Greek companies (to be specific www.vrisko.gr and www.xo.gr) in order to mine for email addresses and then informed the business owner / managers of the firms for the research and asked them to participate.

For the qualitative part of our research , we have provided some open - ended questions (asking people to describe their short and long term goals) , which we have used in order to derive results and information using their own words on how they think , when they create a goal.

For the quantitative part , we have used a correlation of the main question responses of the research with the impact their actions had on the firm's turnover after they went online.

To point out a few of the questions , we have asked the respondents to reply on the length they allow for their goals to take place both in short and long term , because we wanted to know if people perceive equally short and long term goals. We also required them to respond on whether a time frame is important for their goals , as well as if they monitor the compliance of this time frame.

Motivation and simplicity were another 2 issues that were put under the microscope for the survey asking them to provide us with their insight on this matter. Perception of suitability of the goals is yet another issue that was raised. Lastly , we asked them whether they find it important to review the goals before and also after their completion.

The questionnaire contains demographic questions regarding the person that provides the data for the company he / she works for or owns , data information regarding the company , a few open - ended questions , a few closed - ended question and contains mainly Likert type questions with a scale of one to five.

3.3 Tools for analysis

For our analysis , we have used Microsoft Excel 2007 software in order to assist us in our analysis with its useful features.

Google Drive was also used as stated above in order to ensure the collection of the responses.

3.4 Chapter Summary

In Chapter 3 , we have seen the steps we took in order to complete the research. More specifically , two steps were used , a preliminary and the main research in order to reach to the result of the research.

We also examine thoroughly the setting of the research , which are the demographic data of the people that took the time to give us a response , as well as the information of the company they work for or own.

Methodology of the research is also raised and a few points / questions of the study are briefly discussed. Lastly , we mention the tools we have used to help us for the completion of the study.

Chapter 4

4. Results Presentation

In the following chapter we will examine the results of our study and present our findings. We will also initially provide with our expectations and provide comparison to the final results using correlation analysis. Lastly , we will refer to the open-ended questions and provide samples of the most interesting responses.

4.1 Expectations

To begin with , we will present our expectations regarding the responses on the questions covered by the questionnaire. As already stated in the introduction of the research , we do believe that the managerial approach based on the SMART goal setting will be of high correlation to the results that the firm delivers , but on the other hand we believe that the approach of the owners / managers of the firm will be much more naive.

To begin with , we will specify the expected sign on the correlation analysis for each of the questions set to the respondents.

| Question Number | Question | Expected Correlation Sign |
|-----------------|--|---------------------------|
| 1 | Setting a time frame is important for the completion of goals. | + |
| 2 | Compliance with the time frames set is important for the goals completion. | + |
| 3 | I track the time me/my employees spent for my online business. | + |
| 4 | I include the time cost of me/my employees spent for my online business. | + |
| 5 | I believe that complex goals are better than simple rules. | - |
| 6 | I like to change often the goals for my online business. | - |
| 7 | I believe that non-economic goals (i.e. brand recognition) are less important than economic ones (i.e. increase in profits). | - |
| 8 | I believe that extended goals will allow me/my employees to understand them better. | + |
| 9 | I believe that binding specific people to specific goals increases the chance of success. | + |
| 10 | The goals I set are motivational for me/my employees. | + |
| 11 | A harder goal is better than an easily attainable one. | + |

| | | |
|----|--|---|
| 12 | Vague goals (i.e. increase in sales) give better results than specific goals (i.e. 10% increase in sales). | - |
| 13 | I believe that perks assist me/my employees to attain our online business goals. | + |
| 14 | The goals set are appropriate for my online business. | + |
| 15 | I believe results are more important than the process. | + |
| 16 | We come to an agreement with my subordinates/boss before we set our goals. | + |
| 17 | Reviewing my goals are needed before I complete them. | + |
| 18 | Reviewing my goals are needed after I complete them. | + |
| 19 | I believe the goals set are worthwhile trying to achieve them. | + |

Regarding the timeframe on which business owner expect to see results , we expect to find impatience on their behalf and expect the responses question Nr. 20 "How soon do you expect short term goal completion?" to be either immediately or 1 to 3 months , the shortest intervals given available as responses. Also regarding question Nr. 21 "How soon do you expect long term goal completion?" we would expect a more mediocre approach probably either 2 or 3 years distance from the present.

4.2 Findings

4.2.1 Likert Scale Questions

Below , we will examine thoroughly each question based on the results we got from the companies. Correlation's result is deemed significant , generally when we get a result of higher than 0.50 or lower than -0.50. We will also treat as highly significant any results higher than 0.80 or lower than -0.80.

| Question Number | Question | Expected Correlation Sign | Correlation Result | Average Result (1-5 Likert Scale) | % of 1 and 2 | % of 3 | % of 4 and 5 |
|-----------------|----------|---------------------------|--------------------|-----------------------------------|--------------|--------|--------------|
|-----------------|----------|---------------------------|--------------------|-----------------------------------|--------------|--------|--------------|

| | | | | | | | |
|---|--|---|------|------|------|------|------|
| 1 | Setting a time frame is important for the completion of goals. | + | 0.85 | 3.46 | 32.4 | 26.7 | 40.9 |
|---|--|---|------|------|------|------|------|

As expected , we observe that our correlation sign is positive and the result is highly significant. There is strong evidence that setting time frame in order to complete your goals allows you to set a specific deadline that would pressure you to reach for a result. It seems that respondents of the research do have that in mind (we can notice that more than 40% think it is important for their goals) and those who actually did it saw a high correlation with the turnover of their firm.

| | | | | | | | |
|---|--|---|------|------|------|------|------|
| 2 | Compliance with the time frames set is important for the goals completion. | + | 0.65 | 3.16 | 32.4 | 25.3 | 42.3 |
|---|--|---|------|------|------|------|------|

Again as expected , we observed that our correlation sign is positive and the result is significant. There is evidence that complying with the time frame that a supervisor sets is again important in order to achieve your goals. We observe that one third of the companies do not think the compliance with the deadline as important and they probably suffer from low performance.

| | | | | | | | |
|---|--|---|-----------|------|------|------|------|
| 3 | I track the time me/my employees spent for my online business. | + | - 0.54 | 2.66 | 49.3 | 25.3 | 25.4 |
|---|--|---|-----------|------|------|------|------|

Probably the most interest finding so far , unlike our original expectation the sign on this result is opposite to our expectations and to what goal setting theory suggests , yet it has significant meaning for our research. We could attribute this difference to the fact that an employee that is being tracked probably feels that he / she is not being trusted by the boss and underperforms in his tasks or by trying to perfect his work , he is probably wasting a lot of unnecessary time. Fortunately , almost 50% of the companies responded that they do not believe it is important for them to track their employees.

| | | | | | | | |
|---|--|---|------|------|------|------|------|
| 4 | I include the time cost of me/my employees spent for my online business. | + | 0.41 | 3.33 | 15.5 | 43.6 | 40.9 |
|---|--|---|------|------|------|------|------|

In this case , we can see an insignificant correlation of whether the managers include the time cost of their online business. This is probably due to the fact that the time an employee spends for the online business is considered a typical course of action that does not affect the results of the firm.

| | | | | | | | |
|---|--|---|-----------|------|------|------|------|
| 5 | I believe that complex goals are better than simple rules. | - | - 0.69 | 2.46 | 53.5 | 32.4 | 14.1 |
|---|--|---|-----------|------|------|------|------|

As we have expected , there is a negative correlation between companies that prefer using complex goals on their goals and the performance of their company. We can also observe the fact that it has a significant correlation and only a few (14%) do agree with this statement.

| | | | | | | | |
|---|--|---|-----------|------|------|------|------|
| 6 | I like to often change the goals for my online business. | - | - 0.70 | 2.53 | 37.1 | 28.4 | 34.5 |
|---|--|---|-----------|------|------|------|------|

The next statement , again as we expected , has a negative correlation with the performance of a company. Changing goals often probably is a negative factor towards success and presents instability to the employees. We can see that the correlation is significant , however we must also point out that the majority of companies disagree with this statement.

| | | | | | | | |
|---|--|---|-----------|------|------|------|------|
| 7 | I believe that non-economic goals (ie. brand recognition) are less important than economic ones (ie. increase in profits). | - | - 0.79 | 2.51 | 43.1 | 22.9 | 34.0 |
|---|--|---|-----------|------|------|------|------|

Almost highly significant the next statement shows a negative correlation between turnover for a company and the fact that managers should be thinking only on economic goals. It is of importance for the management of a company to focus on other goals that do not have to do only with the economic success of the company , which could be either brand recognition as stated in the example (that will probably lead to the economic success) or others to pay-back to the community such as providing high wages and job positions. It is also important to note here that with an average of 2.51 it seems that most firms actually care for their non economic goals.

| | | | | | | | |
|---|---|---|------|------|------|------|------|
| 8 | I believe that extended goals will allow me/my employees to better understand them. | + | 0.37 | 3.38 | 28.1 | 36.6 | 35.3 |
|---|---|---|------|------|------|------|------|

Even though the expected sign of the correlation on this statement agrees with the findings , there is no significance that providing extended goals (or one could say better clarified ones) actually has an impact on the turnover of the firm. It is also important to observe here that the majority of the firms that replied had an indifferent opinion on this subject as 36.6 % of them provided a 3 on the Likert scale.

| | | | | | | | |
|---|---|---|------|------|------|------|------|
| 9 | I believe that binding specific people to specific goals increases the chance of success. | + | 0.72 | 3.68 | 24.3 | 25.1 | 50.6 |
|---|---|---|------|------|------|------|------|

Binding people to specific goals probably gives them the feeling of accountability for the success of that goals , therefore pressuring them to succeed. Our findings show evidence of a positive significant correlation of this method towards the success of the company. We can also observe that more than half of the companies agree with this note and we can see that the average score on the Likert scale is 3.68 , higher than any other question so far.

| | | | | | | | |
|----|---|---|------|------|------|------|------|
| 10 | The goals I set are motivational for me/my employees. | + | 0.83 | 3.38 | 30.1 | 23.1 | 46.8 |
|----|---|---|------|------|------|------|------|

The ability to motivate your employees is probably one of the most important virtues a manager should possess in order to successfully lead a firm. It is of no surprise that we can observe a positive and highly significant correlation on this statement , as we originally expected. We can also observe that almost 47% of people agreed or strongly agreed with the statement.

| | | | | | | | |
|----|--|---|------|------|------|------|------|
| 11 | A harder goal is better than an easily attainable one. | + | 0.54 | 3.50 | 26.3 | 29.1 | 44.6 |
|----|--|---|------|------|------|------|------|

Pushing yourself and your employees to the limits is probably motivational enough in order to succeed in business. As this statement declares , using harder goals has a positive and significant correlation with the successful increase in turnover. It is also important to notice here the very high average of questions on this scale at 3.50.

| | | | | | | | |
|----|--|---|------|------|------|------|------|
| 12 | Vague goals (ie increase in sales) give better results than specific goals (ie 10% increase in sales). | - | 0.61 | 2.51 | 48.6 | 31.1 | 20.3 |
|----|--|---|------|------|------|------|------|

According to our expectation , the findings for this questions confirms that setting vague goals has a negative and significant correlation with the success of the firm. This is probably due to the fact that specifying the goals for your employees (for example , setting a goal to bring in 3 new clients by the end of the month) would allow them to better comprehend what their duty would be. In our scenario , if the manager set a goal of "bringing new clients" , the employee would probably not be able to tell if a total of 2 new clients by the end of the second month would constitute a success for the firm or not.

| | | | | | | | |
|----|--|---|-----------|------|------|------|------|
| 13 | I believe that perks assist me/my employees to attain our online business goals. | + | - 0.70 | 2.87 | 39.7 | 32.6 | 27.7 |
|----|--|---|-----------|------|------|------|------|

In contrast to our expectations , we can observe that providing perks has a negative and significant correlation to the success of online businesses. Even though , this probably cannot be backed up by further literature , we believe that this finding shows us that in Greece of the financial crisis employees probably value more an increase in their paycheck rather than having the ability to work from home or work flexible hours.

| | | | | | | | |
|----|---|---|------|------|------|------|------|
| 14 | The goals set are appropriate for my online business. | + | 0.48 | 3.32 | 25.7 | 36.9 | 37.4 |
|----|---|---|------|------|------|------|------|

The next statement , setting appropriate goals for the online course of business , even though the sign is as expected positive , the correlation is not significant. We can also observe that a big percent of the respondents are indifferent towards this statement.

| | | | | | | | |
|----|--|---|-----------|------|------|------|------|
| 15 | I believe results are more important than the process. | + | - 0.82 | 2.41 | 53.1 | 33.7 | 13.2 |
|----|--|---|-----------|------|------|------|------|

Opposite to our expectations this statement is negatively and highly significantly correlated to the increase in turnover of the firm. We expected for managers to deem the results more important than the operational side of the business , but it seems that in the process of constant perfection of the company deriving a bit from getting results , while fixing the procedures is more important.

| | | | | | | | |
|----|--|---|------|------|------|------|------|
| 16 | We come to an agreement with my subordinates/boss before we set our goals. | + | 0.66 | 3.15 | 31.6 | 33.7 | 34.7 |
|----|--|---|------|------|------|------|------|

Having a top-down approach on the goal setting issue is critical for the success of the goals in the future. It seems our findings correspond to our expectations with a positive and significant correlation to the turnover of the firm. Agreeing with your boss on a set of goals allows you to haggle on their significance as well as the difficulty level set , which communication allows for both sides to succeed. On the one hand , employees to fulfill their goals and claim their bonuses and on the other hand the company to fulfill its goals and succeed in their business.

| | | | | | | | |
|----|---|---|------|------|------|------|------|
| 17 | Reviewing my goals are needed before I complete them. | + | 0.77 | 3.38 | 24.0 | 35.7 | 40.3 |
|----|---|---|------|------|------|------|------|

In the bibliography , there are several methods business should behave. Most of them could be summarized as "Plan - Act - Review - Adapt". We can see the importance of reviewing the goals before their completion by the almost highly significant correlation with the results of the firm. Having to review your goals before they are completed , allows for making changes in the approach , so that you can eventually succeed.

| | | | | | | | |
|----|--|---|------|------|------|------|------|
| 18 | Reviewing my goals are needed after I complete them. | + | 0.23 | 3.05 | 21.0 | 55.8 | 23.2 |
|----|--|---|------|------|------|------|------|

The statement with the lowest correlation (non significant) with the turnover of the firm is that managers review the goals after they have been completed. It seems that the majority is indifferent in doing such a review (probably , believing it is a waste of resources and time) since the goal has already been achieved.

| | | | | | | | |
|----|--|---|------|------|------|------|------|
| 19 | I believe the goals set are worthwhile trying to achieve them. | + | 0.58 | 3.21 | 23.1 | 33.4 | 43.5 |
|----|--|---|------|------|------|------|------|

The last statement of the Likert scale set of questions is whether managers believe the goals set are worthy of pursuing. As expected , there is a positive and significant correlation with the success of the firm , since it is obvious that if people do not believe in the goals , they will not bother pursuing them with all their skills.

4.2.2 Closed-ended Questions

The next set of findings , we will examine is the responses in the closed-end questions "How soon do you expect short (long) term goals completion?" and their equivalent open-end questions "Please describe your short (long) term goals."

In the expectation for the short term goal completion , respondents gave us the following results.

| Short Term Goal Completion | Number of observations | % of total |
|-----------------------------------|------------------------|------------|
| Immediately | 17 | 24.1 |
| 1-3 months | 11 | 15.5 |
| 4-6 months | 16 | 22.5 |
| 6-12 months | 18 | 25.3 |
| 13 or more months | 5 | 7.0 |
| I do not set any short-term goals | 4 | 5.6 |

As we can see the results are neatly spread amongst the choices. It is important to note that only 4 out of the 71 respondents declared that they do not set any short-term goals for their business. Also , an interesting finding is that almost a quarter of the companies do not allow for any time before they see the results on the goals and require them immediately.

In the expectation for the long term goal completion , respondents gave us the following results.

| Long Term Goal Completion | Number of observations | % of total |
|---------------------------------------|-------------------------------|-------------------|
| 13 - 24 months (more than 1 year) | 15 | 21.1 |
| 24 - 36 months (more than 2 years) | 16 | 22.5 |
| 36 - 48 months (more than 3 years) | 15 | 21.1 |
| 48 - 60 months (more than 4 years) | 14 | 19.7 |
| 60 - 72 months (more than 5 years) | 1 | 1.5 |
| 72 or more months (more than 6 years) | 8 | 11.2 |
| I do not set any long-term goals | 2 | 2.9 |

As we can observe the results are spread almost equally amongst the first 4 choices , that is between 1 and 5 years. We can see that rarely do a business set long-term goals expected to be fulfilled in the very far future (more than 5 years). What is interesting though is that there were a mere 2 companies that declare not to be setting any long-term goals.

4.2.3 Open-ended Questions

The next question , we will examine is the description of the short term goals , as responded in the open-end questions. The diversity of the responses was really interesting. Of course it is of no surprise that most companies set as a goal to expand further - increase their profits - increase their sales - get more clients , all of which are purely economic goals of businesses.

Out of the 71 responses only two of them had any kind of metric included in it "Grow turnover to \$1M , acquire 5 new clients" and "10% increase on our sales and decrease of our expenses". It seems that even though managers declared otherwise in question number 12 , regarding vague goals , by disagreeing with the statement , the actual open ended question on their short term goals seems to show the opposite.

However , there was also responses that had to do with the non - economic side of business expansion. Some of them included "student satisfaction" , "renovation furniture" , "Invest on infrastructure and create more services available to the guest" , "increase website traffic" and "completion of company's certification". As we can observe , companies do not only stick to the economic

expansion , but they also try to benefit from other means that will in the end increase their revenues , such as brand recognition or providing a different line of products.

Another interesting finding in that question is that despite the economic crisis , there was only one firm that has a goal of reaching out to foreigners in order to increase their profits. More specifically , the response was "to attract more Russian people" and it was part of the questionnaire as responded by a hotel owner. Maybe , other firms should follow his example and try to reach out for gains from the external market rather than the Greek , which is currently suffering from the economic crisis.

To expand a bit further on the economic crisis issue , we have also receive some very pessimistic responses "Survive one more year..." and "NOT BANKRUPT". IT seems that there are companies that are more realistic and do not think of expansion , but rather keeping their companies alive. According to Eurostat , the future of SME businesses in Greece is ominous , since a very big number of them has seized their operation within the last few years.

Unsurprisingly , two of the newly founded companies (in 2012 and 2013) had as a short term goal to "get back my expenses" and more correctly set as a term "break even". This should be the first goal any new company should set in order to survive in the fierce economic environment.

We also had several interesting responses that cannot be categorized. There was a technology company that has as a goal to setup a physical store. We can observe there are still companies that are moving from online to offline instead of the opposite , which is the norm nowadays. There was a company that it's online goal was to find out more suppliers , probably to further decrease its costs. Lastly , there was a legal services provider , whose goal was to find out a partner for his office via his online presence.

To sum up , we can observe a wide variety of different goals. Unfortunately , since the questionnaire was distributed online and not on face to face sessions , there was no possibility for follow-up questions and most companies declared their most important goal. As we already stated it is obvious that economic success and expansion of business through new clients is the number one goal for the short-term planning of online businesses. It is however slightly disappointing to have survival as your short term goal , but the reality is ominous for the Greek market , even for online businesses , which in general have low operating costs.

When asked for their long-term goals description , again we received many different and interesting responses. Once again , the number one goal was to expand the business and acquire client , but the magnitude of the responses was much higher. To be more clear , some expansion responses had as an ultimate goal to become market leaders either in Greece or in their city. There was a construction

firm (the oldest in our research , founded in 1960) , which declared as their long-term goal "Be the first worldwide".

Again , we need to stress out the matter of vague goals. Only , two companies included specific numbers in their projections "Reach annual turnover 500.000 Euros" and "10% growth on revenues". Every single one of the rest of the goals did not specify their goals as much , but left a rather wide doubt on the exact goal.

The most detailed goal was the following "Assist local manufacturers to grow their business through the use of advanced engineering design and modern manufacturing practices" , which was given to us by a financial services provider. It shows a clear path from the management , but in comparison with the "Slightly Decreased" reply on the question "Did your online presence impact your turnover?" it shows us that clearly defined and appropriate goals is just a factor towards success and not the key to it.

We already mentioned that most of the businesses are thinking of expansion , however , there were some firms that were thinking of the exact opposite , which is minimizing or closing completely their businesses. In the first case , the response was "Close down warehouse. Get rid of all stocked items" , which show us a clear problem of the business that the owner tries to tackle that is the cash bound to stocked items. Lack of cash inflows is probably one of the worst problems , entrepreneurs in the Greek market are trying to currently face and there is another example on our research of a company that its long-term goal that was simply stated as "increase cash flows". On the second case the reply was "sell business – retire" , which is a rational thing to do , when it comes from an 56 year old , setting this goal four years ahead (probably without any heir to pass it along).

Grabbing more clients or up selling to existing ones is not the only course of action to attract more business. There seem to be some business that have the understanding to take a slightly different path on that. For instance , there was a firm from the education sector that replied "Franchise my brand". It is not uncommon for foreign language (or middle education) schools to franchise their companies and there are plenty of such examples in the city of Thessaloniki and Greece in general. To name a few , these are Kalograia , AXON , SoEasy , etc.

Another interesting response again on the same topic was the turn of a manufacturing company towards the public sector selling. The response was to "win public tenders" and shows faith in the government to be able to finance and pay out in due time the tenders in the future , even though one of its greatest issues at the moment is the debt to past contractors or suppliers of public tenders. There are some cases in the public sectors that the government owes money from concluded projects from 4 or 5 years ago , even older than those in some specific cases that they are unable to pay off and they will probably provide a haircut to them in the near future.

Product portfolio diversification was also one of the long-term goals mentioned in the research. Two companies in particular has set as their long-term goal to provide further products or services in their clients. We shouldn't forget that being able to modify your course of business is a great attribute sought in the modern businesses , which can be backed up from many colossal companies that begun with an entirely different product than the one that turned their company to what they are right now (one indicative example is Nokia , the Finish mobile phones giant , which began as a wood trading company).

To sum up , there are several long-term goals as suggested by companies in our research , however we need to stress out that the majority of them has been seeking for expansion of their businesses and a bigger clientele through their company websites. There are always some exceptions to this rule that the more innovative and risky companies try to seek out , as we have seen , such as product portfolio diversification or turning into a franchise business.

4.3 Chapter Summary

In the current summary , we have seen in detail the expectations from our study. We analyzed the correlations between the Likert scale questions and the increase in turnover through the online presence of the firms , as well as the time frames set by the businesses regarding they long and short term goals. In the end , we have examined in detail the most interesting responses from the respondents regarding their exact short and long term goals description , as provided by them in the form of an open-end question.

Chapter 5

5. Conclusions

5.1 Summary

As we have seen already the results from our research were mixed. There were several statements regarding the goal setting theory that were significantly correlated positively or negatively with the increase in firm's output and others that proved to be insignificant. Below, you can find the results summarized.

| | | | |
|----------------------|----------------------|--------------------|--|
| Positive Correlation | Highly Significant | 1 | Setting a time frame is important for the completion of goals. |
| | | 10 | The goals I set are motivational for me/my employees. |
| | Significant | 2 | Compliance with the time frames set are important for the goals completion. |
| | | 9 | I believe that binding specific people to specific goals increases the chance of success. |
| | | 11 | A harder goal is better than an easily attainable one. |
| | | 16 | We come to an agreement with my subordinates/boss before we set our goals. |
| | | 17 | Reviewing my goals are needed before I complete them. |
| | | 19 | I believe the goals set are worthwhile trying to achieve them. |
| | Insignificant | 4 | I include the time cost of me/my employees spent for my online business. |
| | | 8 | I believe that extended goals will allow me/my employees to better understand them. |
| | | 14 | The goals set are appropriate for my online business. |
| | | 18 | Reviewing my goals are needed after I complete them. |
| | Negative Correlation | Highly Significant | 15 |
| Significant | | 3 | I track the time me/my employees spent for my online business. |
| | | 5 | I believe that complex goals are better than simple rules. |
| | | 6 | I like to often change the goals for my online business. |
| | | 7 | I believe that non-economic goals (ie. brand recognition) are less important than economic ones (ie. increase in profits). |
| | | 12 | Vague goals (ie increase in sales) give better results than specific goals (ie 10% increase in sales). |
| | | 13 | I believe that perks assist me/my employees to attain our online business goals. |
| Insignificant | - | None | |

As we can observe, there were 3 highly significant correlated questions to the online business success. Providing motivation and a specific time frame for your employees, while also caring more for the process itself rather than the result and make appropriate changes while you are on it are the main reasons, one would expect them to be the leading factors in succeeding in your goals.

The significant correlated factors were 12 in total, 6 positively and 6 negatively correlated. Those were compliance with the set deadlines, binding people to specific goals, while also providing them more challenging tasks, having a bidirectional communication between management and employees during the goal setting phase, reviewing the goals before their completion and implementing appropriate corrections, as well as having goals that are worthy for the firm and the individuals to be completed. We also observed negative correlation with tracking time of your employees, providing complex goals, while at the same time changing them frequently, focusing on the non-economic goals and providing vague goals that allow for interpretation by each individual on how he pleases.

Lastly, there were 4 insignificant factors in our research and those were including the cost of time spent from the employees, provide extended goals, set appropriate goals and review goals after the completion.

As a general comment to conclude on our question the research began with, it seems that by applying the SMART goal setting criteria in an online environment do have in general a positive impact on the results of the firm. However, we do need to point out that the T, as time cost or time tracking, of the SMART acronym does not have a positive impact on online businesses.

We also asked to find out, how each company translates the short and long term time frame, while setting goals. For the short-term timeframe the average length was a little bit over 4 months from the replies we received, while the equivalent for long term was close to 36 months or 3 years.

Lastly, we examined the short-term and long-term goals description as given by the respondents on open-end questions. Our research found out that the main goal in both time scenarios has to do with increasing the clients or expanding the business, in other words more profit for the company. However, there were some differences as well. It seems that in the long-term scenario people try to be more innovative and try to facilitate more drastic changes or course of action. In the short-term scenario businesses grasped more realistic expectations, such as breaking even or being able to make ends meet.

The study has gone some way towards enhancing our understanding of the SMART goal setting theory and how it is connected with the e-commerce and online businesses in general and could also serve as basis for further investigation.

5.2 Limitations

The most important limitation of this study is the sample size. A size of 71 is rather small to safely come to conclusions, but would rather suggest evidence of an existing connection / response to an issue. This was due to the lack of time and resources that would allow us to gather a bigger sample of data. However, we feel that the sample was diverse enough to provide us with some results that could be attributed to the online Greek market in general.

Another limitation of this study was the means of questionnaire administration, since it was offered only online. Even though, our focus is online businesses and every business that received our invitation to participate in the study had online presence, there is a chance the owner or manager making the important decision (in our case goals and objectives setting) did not receive our questionnaire, due to computer illiteracy or being answered by a lower-level employee without any real power in the goal setting process. We acknowledged this right from the beginning and in our accompanying email, we stressed out the fact that the survey had to be responded by an appropriate manager.

Lastly, we might encounter non-response bias, that is the issue that manager with higher workload would be unable to respond to our questionnaire, whereas managers with lower workload would be more probable to respond and tick the scale in favor of their responses. Again, we have thought this before the administration and tried to stress out the importance of the survey at our accompanying email.

5.3 Further research

This research has thrown up many questions in need of further investigation. These could be link of the goals with the operating segment of an online business or if our findings apply to another market (i.e. a similar one like Spain) or if our findings would be the same after the economic crisis has been lifted.

A further study with a bigger sample data could assess the validity of the findings or provide a more diverse set of questions regarding the goal setting theory in the online businesses.

5.4 Chapter Summary

In this chapter, we have seen the summary of our findings with the conclusion of our results. We have also stated the limitations that applied in the research and possible grounds for further study.

Appendix

Questionnaire

Below , you will find the questionnaire , exactly as portrayed to the participants .

Do companies set S . M . A . R . T goals for their online presence?

The following questionnaire is part of an MSC dissertation in Management from International Hellenic University . The students undertaking the survey are S . Voutsinos and D . Papavasiliou . The supervising professor is Dr . Andriopoulos . Please take a few minutes and answer the questions . All responses are completely anonymous .

* Required

In which industry does your company belong to? *

Please choose closest sector . If none is applicable , please choose "other" and specify .

- Agriculture
- Computer / Technology
- Construction / Manufacture
- Education
- Entertainment (restaurant , bars etc)
- Financial / Insurance services
- Grocery / Supermarket
- Health care
- Hotel
- Legal services
- Media / Communications
- Real estate
- Other:

What year was the company founded? *

Type a number ie "1998" .

Does your company have both an online (website , eshop) and an offline (physical store) presence? *

- Only online
- Only offline

- Both online and offline

What is the number of employees? *

Type a number ie "3" .

What is the annual turnover of the firm in Euros? *

- 0 - 100 . 000
- 100 . 001 - 500 . 000
- 500 . 001 - 1 . 000 . 000
- 1 . 000 . 001+

Please describe your short term goals . *

Elaborate as much possible .

How soon do you expect short-term goal completion? *

- Immediately
- 1-3 months
- 4-6 months
- 6-12 months
- 13 or more months
- I do not set any short-term goals

Please describe your long term goals . *

Elaborate as much possible .

How soon do you expect long-term goal completion? *

- 13 - 24 months (more than 1 year)
- 24 - 36 months (more than 2 years)
- 36 - 48 months (more than 3 years)
- 48 - 60 months (more than 4 years)
- 60 - 72 months (more than 5 years)
- 72 or more months (more than 6 years)
- I do not set any long-term goals

Setting a time frame is important for the completion of goals . *

1 2 3 4 5

Strongly disagree Strongly agree

Compliance with the time frames set are important for the goals completion . *

1 2 3 4 5

Strongly disagree Strongly agree

I track the time me/my employees spent for my online business . *

1 2 3 4 5

Strongly disagree Strongly agree

I include the time cost of me/my employees spent for my online business . *

1 2 3 4 5

Strongly disagree Strongly agree

I believe that complex goals are better than simple rules . *

1 2 3 4 5

Strongly disagree Strongly agree

I like to often change the goals for my online business . *

1 2 3 4 5

Strongly disagree Strongly agree

I believe that non-economic goals (ie . brand recognition) are less important than economic ones (ie . increase in profits) . *

1 2 3 4 5

Strongly disagree Strongly agree

I believe that extended goals will allow me/my employees to better understand them . *

1 2 3 4 5

Strongly disagree Strongly agree

I believe that binding specific people to specific goals increases the chance of success . *

1 2 3 4 5

Strongly disagree Strongly agree

The goals I set are motivational for me/my employees . *

1 2 3 4 5

Strongly disagree Strongly agree

A harder goal is better than an easily attainable one . *

1 2 3 4 5

Strongly disagree Strongly agree

Vague goals (ie increase in sales) give better results than specific goals (ie 10% increase in sales) . *

1 2 3 4 5

Strongly disagree Strongly agree

I believe that perks assist me/my employees to attain our online business goals . *

1 2 3 4 5

Strongly disagree Strongly agree

The goals set are appropriate for my online business . *

1 2 3 4 5

Strongly disagree Strongly agree

I believe results are more important than the process . *

1 2 3 4 5

Strongly disagree Strongly agree

We come to an agreement with my subordinates/boss before we set our goals . *

1 2 3 4 5

Strongly disagree Strongly agree

Reviewing my goals are needed before I complete them . *

1 2 3 4 5

Strongly disagree Strongly agree

Reviewing my goals are needed after I complete them . *

1 2 3 4 5

Strongly disagree Strongly agree

I believe the goals set are worthwhile trying to achieve them . *

1 2 3 4 5

Strongly disagree Strongly agree

How would you rate your business performance online? *

1 2 3 4 5

Very unsuccessful Very succesful

Did your online presence impact your turnover? *

- Greatly increased
- Slightly increased
- No change
- Slightly decreased
- Greatly decreased

This last part of the questionnaire has to do with a few demographic questions in order to identify the unique traits of each person .

What is your gender? *

- Male
- Female
- Prefer not to answer

What is your age?

Type a number (ie "20") .

What is highest educational level you achieved so far? *

- Primary School
- High School (Years 1-3)
- Senior High School (Years 4-6)
- Bachelor's Degree
- Master's Degree
- PHD
- No education
- Prefer not to answer

What is your marital status *

- Single
- Married
- Divorced
- Widowed
- Prefer not to answer

What is your current employment status? *

- Self Employed
- Employee
- Unemployed
- Prefer not to answer

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