MARKETING PLANNING IN SMALL ENTERPRISES: A MODEL AND SOME EMPIRICAL EVIDENCE

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This article discusses some of the features of small firms and emphasizes that business proprietors have a different approach to marketing than that displayed by professional marketing managers in large concerns. In particular, the authors argue that the predominating influence of the owner/manager and the managerial and structural features of small enterprises lead to a marketing planning approach that is unique to them and suited to their needs and capacities.

This approach, while it encapsulates the fundamental elements of marketing planning and investigates internal and external planning dimensions, allows owner/managers to approach marketing planning with varying degrees of rigor and sophistication. The authors develop a model to make this approach operational.

To investigate the utility of the model, semi-structured interviews were carried out with the owners of 68 four-year-old firms and results show that about two-thirds of owners adopted a "nonmarketing" approach to marketing planning, almost one-third were "implicit marketers," and very few were "sophisticated marketers." These results confirm that marketing planning in small firms is inherently different from that practiced in large ventures and that classical marketing planning principles need adapting before use by small organizations.

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Many thanks to Simon Ayling for his help in conducting interviews.

This study was supported by the Economic and Social Research Council.

Editor's note: This article was originally published in The Journal of Marketing Management, University of Strathclyde, Glasgow. Of course we had to edit it into American-type English, so some minor changes have been made.
Introduction

Much of the literature on small firms, particularly that which examines marketing in small organizations, indicates implicitly and explicitly that small firms are different than large companies.

The owners of a small firm need to be their own “expert” in many areas.

In an effort to add to the growing volume of knowledge on the marketing activities of smaller ventures, we will note the characteristics of small firms and then review the marketing planning literature in an attempt to establish appropriate techniques for assessing the marketing planning activity of smaller businesses. A “model for marketing planning in small ventures” will be used to report on how 68 small, young firms actually do their marketing planning.

The Characteristics of Small Firms

The term “small firm” is used frequently in business literature and practice, but before we examine its characteristics it is important to say what we mean by this term. Definitions of small firms range from numbers of employees and size of revenue, to type of business and size of premises. A comprehensive general definition is offered by the Committee for Economic Development.5

A small firm is one which possesses at least two of the following four characteristics:

1. Management of the firm is independent. Usually the managers are also the owners.

2. Capital is supplied and the ownership is held by an individual or a small group.

3. The area of operations is mainly local, with the workers and owners living in one home community. However, the market need not be local.

4. The relative size of the firm within its industry must be small when compared with the biggest units in the field. This measure can be in terms of sales volume, number of employees or other significant comparisons.

However, of all the variables used in defining small enterprises, relative size is used most frequently: indeed it is often the only variable used. For example:

Any firm can be considered small when its sales volume, total employees, capital investment, and so forth are much smaller than the corresponding figures for the largest firm in its field.19

But just how important is this issue of relative size? Is it, in fact, the characteristic of a small business that has the most significance for the practice of marketing in these organizations?

It is widely accepted that small enterprises have different characteristics from those of larger companies, but the most significant differences relate to the business objectives, management style, and marketing practice of these enterprises rather than their relative size.12 In support of this contention five qualitative characteristics which differentiate small from large concerns have been emphasized: the scope and the scale of operations, the independence and the nature of their ownership arrangements, and their management style.16

Several authors emphasize the importance of management style in contributing to the success of small organizations. For example, there have been comments on the “limited formal business education” of owner managers20 and suggestions that small business problems and failures occur because of a “lack of managerial skill and depth, and personal lack and misuse of time.”2

It is apparent, therefore, that small firms have distinctive quantitative and qualitative characteristics which differentiate them from large ones, but a question arises as to the
impact of these characteristics upon their marketing attributes.

Marketing Characteristics of Small Firms

Several authors have identified a number of areas in which small business owners and managers differ from professional marketing managers in large companies. They note that the former tend to have negative attitudes toward marketing, perceive marketing as a cost, treat distribution and selling as uncontrollable problems, and, most significant, believe that each case is so specific that it cannot be approached using general rules.\(^3\)\(^4\)

In addition, there have been observations of a general weakness in marketing by small firms and suggest that this may arise because the firms have difficulty in attracting and affording qualified personnel.\(^2\) In a similar vein, the owner of a small firm needs to be, or become, his own "expert" in many areas because, unlike the manager in a large company, he is not usually in a position to employ experts.\(^7\) In view of this need to be a "general specialist," it has been noted that essential differences in managing small and large firms arise because in the former the focus is on the pragmatic use of techniques as aids to problem solving, whereas in the latter it is on achieving "high coordination and control of specialists."\(^18\)

We have argued that the characteristics of small firms are many and varied and that they tend to be different from large company attributes. When viewed from a marketing perspective, many small firms' features and characteristics can be described as constraints. For example, there are three broad constraints on small firms marketing activity:\(^3\)

- Limited resources, such as limitations on finance, marketing knowledge, and time, may contribute to limited marketing activity relative to large competitors.

- Specialist expertise may be a constraint because managers in small businesses tend to be generalists. Traditionally, the owner/manager is a technical or craft expert who is unlikely to be trained in any major business disciplines. In addition, marketing expertise is often the last of the business disciplines to be acquired by an expanding small company. That is, finance and production (if the company is a manufacturing unit) experts usually precede the acquisition of a marketing counterpart.

Limited impact on the marketplace may be a constraint because small businesses have fewer orders, customers, and employees than large companies. Consequently, the impact of a small firm's presence in an industry, geographic area, or whatever is likely to be limited because of its size alone. Similarly, because of limited resources and lack of marketing expertise, the impact on the media through advertising and publicity will often be negligible in relation to large company activities.

The problem is not that the philosophy of marketing is not believed, rather it is that most companies just cannot make it work.

What then are the issues that arise out of this discussion? It is obvious that the distinctiveness of small firms is compounded when marketing in them is taken into consideration. That is, small firms' marketing is shaped by the peculiarities of small firms and may well be constrained by them.

Marketing Planning Adapted for Small Firms

What impact do the issues raised above have on the ability of small firms to plan their marketing activity? Can and do they use standard marketing planning approaches when organizing their marketing activity? The debate to date would suggest that they may require an approach that is unique to their own requirements and capabilities.
THE MARKETING PLANNING PROCESS

The purpose and value of planning in marketing are well documented in the literature. For example, “effective marketing planning lies at the heart of a company’s revenue-earning activities.”15 In general, marketing planning is extremely valuable in clarifying management thinking and giving a sense of direction to managers in other functions, both subordinates and superiors. Marketing planning often allows the marketing profile to permeate a firm’s activities and instills a marketing perspective into activities such as setting objectives, motivating, and directing staff, establishing priorities, and improving the quality of market information. All this can lead to a greater awareness and acceptance of change and may promote general business success.

Let us elaborate on the nature of marketing planning. It is described as a process that “explores what marketing actually does—the actual process by which marketing operates.”16 But how precisely is marketing planning described and explained? The literature is awash with descriptions and explanations as to what is involved. For example, most texts in marketing management include at least one chapter on marketing planning processes, but they are often variations on a theme.

The principal stages in the process involve conducting an internal audit, conducting an external audit, devising a strategy, and implementing and controlling the marketing activities. This definition suggests that planning is a formal process, although the possibility of conducting informal marketing planning should not be overlooked, especially in small organizations.

Where in an organization does planning occur and in what ways is it integrated with other activities? In other words, how does marketing management apply it? “The problem is not that the philosophy of marketing is not believed, rather it is that most companies just cannot make it work.”15

Planning is often regarded by middle managers as a sophisticated, elitist activity done solely by specialists or very senior management. But where does or should planning actually occur in an organization and how does it integrate across an organization’s managerial structure?

Small firms’ marketing is shaped by the peculiarities of small firms.

The nature of planning can vary according to the complexity of an organization. Strategic planning in a simple organization is an “evolutionary” process, through which major decisions are reached on objectives, policies, and strategy. “These determinations, made definitely and in writing, might be adequate for [such] a fledgling firm as the basis for detailed plans. This may suffice for a small and homogeneous type of business. That is, it has only its corporate level of planning.”13

However, other writers1,9,11,13 suggest that planning must occur throughout an organization’s decision-making structure. This logic can sensibly be applied to marketing planning. That is, all aspects of marketing activity must be coordinated and integrated through careful planning. Indeed, an understanding of this issue is fundamental to sound marketing planning activity. As Kotler11 states, “In order to plan effectively, marketing managers must understand the key relationship between types of marketing mix expenditures and their sales and profit consequences.”

It is clear, therefore, that marketing planning must permeate the whole of the marketing function in any organization if it is to operate effectively, and the concept of the marketing planning process is fundamental to such effectiveness.

The importance of marketing planning is a point that is well made in most of the literature. However, as we intimated earlier, there are few descriptions of marketing planning that correspond with each other. It is possible
of course to identify the common threads in the process, but why the variations? Cynics might suggest that marketing authors offer their own “unique” description of a well-established process merely to enhance their self-esteem. More kindly it could be argued that variations are simply a case of semantics and that different authors express the same ideas using slightly different terminology. It is an interesting exercise to explore some of the descriptions of the marketing planning process given by the authors cited above.

One author,\(^a\) aware of this plethora of definitions, has attempted to produce a composite model of the marketing planning process. His model incorporates both strategic and functional marketing planning. He justifies this structure by stating that “in practice companies tend to include both marketing strategy and tactics within the same marketing plan document”.

The model, Greenley, “...has been synthesized from major texts by writers such as Cravens, Jain, Kotler, Luck and Ferrell, and McDonald”.\(^a\) Greenley also puts this model into the context of a broader “planning framework” which shows the relationship between the strategic and operational planning processes. (Figure 1)

**A DIFFERENT PERSPECTIVE REQUIRED**

The fundamental concept of marketing planning is well documented, but there can be, and are, a plethora of approaches to describing its scope and function.

There is little doubt that there are many ways of implementing the marketing planning process and we have seen that the idiosyncrasies of small firms can have a significant influence upon its implementation, but there are many other factors that may equally influence marketing planning practice in small firms. Two are of particular significance in this debate: the “evolution” of marketing practice, and the dominating influence of the owner/manager’s beliefs and values upon mar-

![Figure 1](image-url)

**Figure 1**

The Stages of Marketing Operational Planning

- Operational Plan
  - Long-Range Operational Planning
  - Marketing Strategy
  - Marketing Environment
  - Marketing Objectives
  - Marketing Plan Document
  - Short-Range Operational Planning
  - Marketing Tactics

Marketing activity. Let us consider briefly these two issues.

### Marketing planning lies at the heart of a company’s revenue-earning.

The foundation for the marketing “evolution” of a small firm lies in the widely documented concept of the business life cycle. Some writers put much store on the significance of this life cycle to small business success. For example, the business life cycle acts as a guide to small firms as they work through different stages of business life. More specifically, attention is drawn to the need for an awareness of the changing role of top management as the organization grows. Essentially they see the role changing from one of task-oriented activities and line responsibility to one of coordination, strategic planning, and public relations.

This life cycle and the resulting shift in managerial orientation, as it relates to marketing in growing ventures, can be anticipated: 

...a company passes through a four-stage marketing development process. In the initial stage, entrepreneurs sell customized products to friends and contacts. They must then exploit a larger marketplace through the stages of opportunities marketing, responsive marketing and finally diversified marketing.

Others also believe that firms progress through four stages starting with a reactive phase and moving toward a proactive one. More precisely, firms engage in initial marketing activity, then progress to reactive selling, then go to the DIY marketing approach, and finally move toward integrated proactive marketing. As firms evolve, “a different perspective is required.” They argue that the development and role of marketing planning can be attributed to the influence of the “culture carrier” within an organization.

Let us say a little more about cultural carriers. If we regard organizational culture as a set of inherited ideas, values, and norms which are more or less shared by the members of the enterprise and which influence member behavior, then the cultural carrier is the person who plays a dominant part in the process of acquiring culture. It is noted that in the small firm the owner/manager, because of his or her visibility, power, and influence, will play a dominant role in molding organizational culture. The proprietor’s influence will extend to the acceptance of marketing planning, as identified by four levels of acceptance: owners may deliberately ignore it, treat it unthinkingly and merely pay lip service to it, treat it moderately seriously, or treat it very seriously. In support of this proposition these authors state:

the acceptance of marketing planning is largely conditioned by the stage of development of the organization and the behavior of the corporate culture carriers. Thus it is that different modes of marketing planning become more appropriate at different phases of the company’s life.

While the marketing planning process itself remains more or less consistent throughout, how that process is managed must be congruent with the current organizational culture."

Because of the predominating influence of the proprietor, it is possible that an organization and its owner/manager will progress through the levels of acceptance of marketing planning depicted without acquiring additional cultural carriers. An execution may occur, however, in the final level of development when a measure of technical expertise may be required to devise and implement complex marketing planning.

What then is the outcome of our discussion? Taking account of all the issues addressed so far, it would appear that marketing planning must “fit” the circumstances of the organization. It may not be enough to take elaborate models of marketing planning and attempt to apply them to different companies at different levels of marketing development and evolution. In fact, marketing approaches:
...concentrate almost exclusively on the “medicine” itself and show relatively little concern for the “patient.” That this should happen makes about as much sense as a doctor dispensing the same drug to every patient he sees, irrespective of his or her condition.\textsuperscript{12}

We acknowledge the need for “fitting” the marketing approach to suit the circumstances and characteristics of small firms. We accept also that the management style and culture of a small firm will influence the character and nature of marketing planning activity. Consequently we consider that a “simplistic” approach to the marketing planning process may be suitable for small firms.

**Marketing Planning By Small Firms: Some Empirical Evidence**

To discover the validity of our literature review and subsequent conclusions, we investigated the process by which small young firms actually do their marketing planning. The 68 firms in our study are approximately four years old, are small—mean employment is 4.8 persons—and have a median turnover of $800,000. Seventeen firms provide industrial services, 16 supply consumer services, and 35 are engaged in manufacturing.

Most firms are located in the Greater Belfast area and some in rural locations of Ireland.

Given this profile, it is most likely that this sample is in the initial stage of marketing development as outlined above. Their marketing planning is most likely the product of reacting to situations, paying lip service to good marketing practice, and certainly being simplistic in terms of the models reviewed above. In this approach the marketing planning concepts may well be inherently sound but they are sufficiently broad and elementary to be both workable and attractive to the small business owner/manager.

Firms at an early stage of evolution may merely consider the most basic approach to the marketing planning process. This incorporates two fundamental components: external considerations—those issues that are outside the firm’s influence or control and internal considerations—those issues that are within the organization’s control. A small firm may examine external and internal matters either in a very elementary way or with varying degrees of complexity and sophistication. The factors determining the actual approach are manifold and the depth of the marketing process may well depend upon the firm’s resources, background expertise of the entrepreneur, commitment to success, and marketing effectiveness. We used the simple model shown in Figure 2 as the basis for our investigation.

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<th>Marketing Issue</th>
<th>Marketing Approach</th>
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<td>External considerations e.g., market knowledge customers</td>
<td>Non Marketing</td>
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<tr>
<td>Internal considerations e.g., promotion, price</td>
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We decided to restrict our investigation to the following external points of interest: market knowledge, competitors, customers, market information, significant happenings in the market, and competitive advantage. The internal considerations of interest are promotion, price, and service.

Other crucial elements of the marketing mix, such as product and distribution, are considered to be implicitly contained within the framework. Small firms will automatically take account of the product when considering issues such as competitive advantage, price, and promotion, and similarly distribution will be an inherent part of service, product, and promotion.

To the purist, our approach may suggest poor marketing. But purists may well view the topic entirely from the logical framework of the stages of the marketing planning process and disregard the characteristics of the small business owner/manager, the company, and market circumstances. "Bad marketing" as defined by a marketing analyst may represent marketing that stretches a proprietor to the limits of his or her capabilities at that point in time. It may also be part of the process of "learning" through which the manager must pass before he can develop further.

In Figure 2 we can see that under each of the marketing issues, we envisaged respondents taking a nonmarketing approach, an implicit marketing approach, or a sophisticated marketing approach. In order to generate some data on these issues, we asked respondents the following questions during tape recorded personal interviews:

1. Could you tell me something about the market(s) for your product(s)/service(s)?

2. Tell me something about your competitors.

3. Why do your customers buy from you rather than from your competitors? What advantage do you offer them that competition cannot meet?

4. Could you tell me something about your customers? How many do you have? Who are your key customers?

5. Where do you gather information that lets you know what is happening in your markets? How do you keep in touch with changes in your markets?

6. What do you consider to be the most important event in your market over the past few years?

7. What methods do you use to promote your products or services?

8. Tell me about your communication with customers after you have supplied them with goods or services.

9. Could you tell me how you go about setting the price(s) for your goods and services? What are the principles underlying your pricing?

The interviewers adopted a nondirective approach with very limited prompts in an attempt to discover how the sample really "did their marketing." If respondents had very little to say on an issue, they were encouraged to be more forthcoming but no attempt was made to lead them into making statements. The interview data were analyzed in two ways. In the first instance all 68 responses to each of the questions were played back on a tape recorder and each classified as a nonmarketing, implicit marketing, or sophisticated marketing response. Then, on the basis of the responses to all nine questions, each person was categorized into one of the three groups. This qualitative analysis was shared among three researchers who had frequent discussions to ensure that the assortment process was not unduly biased.

To make the model operational, let us present a portrait of a nonmarketing and an implicit-marketing firm. The former defines its markets in very general terms such as middle-class people, reacts to customer inquiries, has little or no idea who customers are or where
they come from, uses few or no sources of market information, and feels that no significant event occurred in the market over the four years of its experience. It describes competitive advantage in terms of the benefits its service/product bestows on customers without relating this to the competition; it uses few methods of promoting its enterprises, uses cost-plus pricing strategies, and responds to complaints rather than thinks positively about customer service.

A firm with implicit marketing is seen as one that describes its markets in terms of market segments, size, or location; that mentions the number of customers it has and is able to distinguish between key customers and normal customers; has several complementary sources of information about markets and understands the key events that occurred in its market together with their impact on the firm; and can describe its competitive advantage in terms of the benefits accruing to customers, although it does not detail exactly how it defeats the competition. An implicit marketing firm uses several proactive promotion methods; it sets its price on the basis of what the market will bear and what the competition charge, and it proactively contacts customers to make sure that its product/service is meeting customer needs.

We will not present a portrait of sophisticated marketers since few of our sample can be defined this way. However, some firms do sophisticated marketing in some of the nine marketing planning sections of the model and we will draw attention to them as we report the results.

**Summary of Results**

Our primary purpose here is to discuss the marketing planning process as it operates in small enterprises and to verify the validity of our arguments using the results of an empirical study. To avoid unnecessary detail we will merely present a summary of our research and ask those readers who require a detailed knowledge of the empirical data to consult an additional source.6

Table 1 presents a summary of our findings. Note that very few of the sample are classified as sophisticated marketers and that, on the majority of issues, there are more non-marketers than implicit ones. Rather than giving a description of the findings for each of the nine

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<th>The Classification of the Sample into Marketing Planning Categories on Each Component of the Marketing Planning Model</th>
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component parts in the model, we will present a composite overview of the way nonmarketing, implicit marketing, and sophisticated marketing companies performed in relation to external and internal factors.

**External Factors—Nonmarketing Firms**

These firms typically have little knowledge of their markets, will react to demand from anywhere, and have only a vague impression of their customer profile. They feel they have few, weak, or no competitors and that their products are unique when in fact they may not be. Generally these companies do not view their products in the context of competitive advantage; any competition they are aware of they feel is only in their immediate locality. Similarly, these nonmarketing firms do not know much about their customers; indeed several talk of having a huge number of customers and are essentially ordertakers. Others merely react to consumer demands (their customers come to them).

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**Any improvement in marketing performance can happen only over time and as a result of experience.**

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The paucity of the sources of information and the haphazard manner in which market data are gathered suggest that many firms devote little serious attention to the issue. Equally, many are unable to record what is happening in their markets or describe important episodes as something initiated by themselves. Many were unaware of key events even though independent observers felt that their markets were experiencing significant change.

**Internal Factors—Nonmarketing Firms**

These nonmarketing firms tend to use few or none of the normal techniques and are rather dubious about the benefits of promotion. Indeed many question the cost effectiveness of the activity. On pricing, nonmarketers used predominantly cost-plus pricing and do not alter their charges when dealing with patrons.

Indeed, some of the sample stated openly that it is immoral to charge too much. As for after-sales services, these firms display a product orientation and believe that after-sales service is unnecessary or unimportant.

**External Factors—Implicit Marketing Firms**

In contrast to nonmarketers, implicit marketers know their markets in ways such as geographical boundaries and areas for future expansion. While market segmentation is not fully developed, many of this group are able to target sectors such as “small specialist knitwear and Irish shops in the United States” in the pursuit of sales.

These firms also know the competition in terms of the number of competitors they face and where they are located, and they have some detail on how the competition threatens their business. For example, a clothing manufacturer said that she “has five competitors in the Belfast and Bangor areas and three of them are larger than ourselves.” This woman is aware of the competition and has some views on their strengths and the threats they pose.

Knowledge of the market is also defined more precisely. These firms rely on several sources of information ranging from trade and media publications to competitors and customers, and they use this information in an informal but balanced manner. Information about customers is implicitly combined with identifying the needs of customers. Typically, these firms will discuss important issues with competitors; for example, some owners invite customers to say how products/services might be modified to meet their needs more fully. Many of these firms use the information gathered to establish a competitive edge.

**Internal Factors—Implicit Marketing Firms**

The significant feature of the implicit marketers is that they attempt to use the internal factors for marketing their products/services and often “mix” them skillfully. For example,
for promotion they may combine advertising and direct mail as a means of generating customers. They use pricing according to what the market will bear, taking account of competitive prices and individual customer perceptions of value. They also stay in fairly close contact with clients and encourage repeat business through after-sales service.

**Sophisticated Marketers**

As Table 1 shows, there were very few of the sample that could be described as sophisticated marketers, and indeed none used internal factors in a positively proactive and meaningful way. A few firms did, however, show a sophistication in relation to information and knowledge about both customers and their markets.

**The Approach of Each Individual to Marketing**

Having presented a summary of the behavior of nonmarketers and explicit marketers, let us now take a holistic view of the marketing planning undertaken by each of the 68 individuals in our sample. Each person was assigned by three researchers to one of our three categories. The researchers discussed differing opinions before arriving at a final classification. Forty-one persons were classified as non-marketers, 27 as implicit marketers, and none as sophisticated. It is interesting to note that these proportions are very similar to those presented in Table 1.

The acceptance of marketing planning is largely conditioned by the stage of development of the organization and the behavior of the corporate culture carriers.

In general, the results reveal that the 68 firms in the sample are anything but sophisticated marketers and that, on the component parts of the marketing planning model, between one-half and two-thirds of the proprietors are classified as nonmarketers. We would argue that the empirical data offer quite strong support for our earlier propositions that marketing planning in small enterprises is inherently different from that practiced in larger concerns. Marketing planning does indeed seem to require adapting to the particular culture of the small enterprises and it would be unwise to describe their simplistic approach to the task as “bad marketing.”

We have discussed the marketing approach of this sample on the internal and external components of the model and have classified each individual according to the degree of sophistication of their marketing. To add some richness to the discussion we will present vignettes on the marketing behavior of two persons: a nonmarketer and an implicit marketer.

The nonmarketer employs four people and makes sophisticated computer games and other software. He describes his market as large UK software marketing companies who take his products. He reveals that he has no idea who his competitors are and is not sure of his competitive advantage. When pushed a little on this issue, he mentions some good reviews in software magazines, lower wages, a high-quality product, and adds that “people like me”. When asked about his customers, our proprietor reports that he has four. He obtains information about his markets from trade magazines and feedback from his customers and is unsure about the significant events in his market over the past three years. He argues that he does not need to promote his products and that good customer service is part and parcel of his business.

On the issue of price he says that he used to ask for as much as he could get but now is moving to cost plus. At first sight this appears a little odd, but his pricing behavior is determined by the fact that he found it very difficult to estimate his costs in the early days of the venture and asked for and got what he considered to be a good price. With experience, however, he becomes more skilled at estimating his costs and moved to cost-plus pricing. This man
runs a successful business but we feel that he has secured a few important customers and now relies entirely on them for his revenue. He is unaware of or disinterested in his competitors and about marketing information. To this point he is doing well in his existing market but he is under a potential threat from both competition and lack of planning and preparation for future market development.

The implicit marketer employs two people and manufactures a footplate which diagnoses feet problems and translates the results onto a computer screen. He spends a great deal of his time on product development but he also attends to his marketing. He defines his market as schools of chiropody in the UK and private chiropodists in Europe, the United States and Australia. He also sells some of his wares to university research departments. He feels that there are several direct competitors in the United States, two in the UK, one in France, and one in Germany.

His big competitive advantage is the portable nature of his product, the ease with which a diagnosis can be conducted via computer graphics, and the fact that clients do not need to purchase a new computer system: the footplate can be used with the IBM AT or compatible. This entrepreneur has 25 customers and he regards 15 of these as key customers. He regards his customers as one of his most important sources of market information and spends a considerable amount of time talking to them about their needs. He regards the rapid expansion in the use and sophistication of microcomputers and the changing attitudes of people toward using them to be the most significant development in his market. He promotes his products at trade fairs and he makes use of a well-designed brochure to interest buyers. He runs a back-up service for clients and employs agents in foreign countries to repair any faulty equipment. This proprietor chooses his price on the basis of what the market will bear together with an eye on what the competition charge. He runs a successful business and we feel that his approach to the market will ensure his continued success.

Summary and General Conclusions

If we take account of the inherent characteristics of small firms, the empirical data generated by this study, and the subsequent interpretation and evaluation, some general conclusions about marketing in new small firms can be made. Small firms have a “distinctive marketing style.” There is little or no adherence to formal structures and frameworks. Because of their limited resources, the marketing activity of small firms is inevitably restricted in its scope and activity. This restriction manifests itself in marketing that is simplistic, haphazard, often responsive and reactive to competitor activity.

Small firms, particularly those in the early stages of development, are inherently product oriented, so it is not surprising that much of their marketing is also product oriented. Similarly, their marketing is oriented around price, possibly because they have an inherent feeling of vulnerability on price, particularly in relation to large competitors. Perhaps the most significant factor contributing to small firms’ marketing style is the omnipresence of the owner/manager. The business proprietor is naturally involved in all aspects of the business, and this is no less so in marketing. Consequently the marketing style can be described as an “involved” one which relies heavily on intuitive ideas and decisions and, probably most importantly, on common sense.

Marketing theorists should be careful not to criticize small firms’ marketing for not being properly structured and not adhering to classic marketing approaches. Just as a company must conform to the needs of the marketplace if it is to be successful, so should marketing conform to the capabilities of the practitioner if it is to be effective. Such is possibly the case in our sample. The owners are doing marketing, but marketing according to their own terms and requirements and not some theoretical framework. Whether such marketing can lead to a rapid growth of income is more problematic, but it is “their style” and it may well suffice.
until the proprietors decide that they want to expand and perhaps move from the entrepreneurial stage of development of their businesses to a managerial phase.

If small firms' marketing activity is to be assisted and improved, what can trainers and advisors do to help? First, recognize that small firms do have a distinctive marketing style as outlined above. Acceptance of the features of this distinctive style will ensure that unrealistic marketing advice and guidance will be avoided. Drawing analogies with physical activities such as learning to swim or run long distances serves to illustrate the point. For example, in the beginning it is enough to float rather than swim correctly and effectively and to jog rather than maintain a sustained running pace. In marketing it may be enough to do what is in the bounds of reasonableness and capability, because to do any "better" may be beyond such bounds.

A second significant issue in advising and guiding small firms is to recognize that any improvement in marketing performance can happen only over time and as a result of experience. Time scales will of course vary according to the individual, the firm and its products, and market conditions, but certainly "new and better" marketing is unlikely to be adopted before learning has been gained through the firm's natural growth period. Equally, until an owner/manager has experienced the impact of marketing, no matter how simplistic, he or she is unlikely to accept ultra-sophisticated and "correct" marketing.

In short, if small firms are to be assisted effectively in improving their marketing, it is incumbent upon advisors to adapt the marketing approach to suit the level of simplicity required by small organizations, and to recognize that improvement cannot occur overnight. It needs an investment in time and careful monitoring. Small ventures need step-by-step help as they develop their marketing from a very simplistic approach to a more sophisticated one.

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**End Notes**


