ABSTRACT

Small and medium enterprises (SMEs) have distinctive characteristics that differentiate them from their larger counterparts. One of these characteristics is marketing. Poor marketing skills in SMEs would lead to low performance and, in extreme cases, failure. Therefore, adopting a marketing strategy based on small business analysis is a fundamental requirement of any successful SME. The term “entrepreneurial marketing” is used to describe the marketing activities conducted by SMEs. The present paper aims to identify the entrepreneurial marketing characteristics of information technology SMEs, based on the classic grounded theory. To achieve this, the sample was selected and deep interviews conducted. The basic model was developed using interviews, findings and analyses. As the secondary objective of the research, interviews with ten SME owner-managers of Denmark, a developed country, was compared with that of the Iranian ICT industry. Based on Glaser’s approach (1995a,b), the results and analyses were used to develop an entrepreneurial marketing theory for the information technology industry. Finally, the components of the entrepreneurial marketing model are described.

Keywords: SMEs, entrepreneurship, entrepreneurial marketing, classic grounded theory
INTRODUCTION

Today, large firms consider marketing rules as pathways to growth and profitability. Related literature has mainly focused on large reputable companies. However, academic works conducted on marketing activities in SME’s is yet to be undertaken. The current research examines the way accepted marketing rules are applied in SMEs. This study focuses on applying the rules of marketing practice in SME’s. In fact, some executives in SME’s believe that marketing capability is not related to their business needs. Evidence suggests that the formal marketing approaches of large companies are not easily applicable in SME’s. Therefore, the question here is what strategies do SMEs follow if they do not follow the formal marketing strategies undertaken by large firms? And, what is the effect of these strategies on marketing methods adopted by SMEs? The philosophy of marketing is facilitation of interactions-value exchanges in a way that it is felt by suppliers and consumers. The key for understanding the concept of value exchange, is taking into the account the fact that the value of the products and services provided is lower than the cost they receive in return. Obviously, the contrary holds for consumers, i.e. the value of the products and services provided is higher than the amount they pay for. Therefore, transaction satisfies both parties (Tajdin et al., 2012).

A general consensus exists that marketing rules are applicable to SMEs. Over two decades, studies conducted on the marketing of SMEs have challenged scholars. Most scholars argue that SME marketing uses networking or a combination of transactions, communications, interactions and network marketing. Recently, e-marketing or e-business has become remarkably prevalent among all businesses, including SMEs. However, it seems that academic research has failed to answer some questions regarding the relationship between SMEs and marketing, and the way marketing is applied in SMEs. Siu and Kirby (1998) argue that there is no systematic approach to the issue (i.e. SME marketing) and practical and empirical studies are carried out without a definite, clear program. Therefore, findings related to the issue at hand are insufficient and the need for a theory in SME marketing, particularly in relation to understanding strategic marketing, is proved (Siu and Kirby, 1998).

Marketing analysis in new and small businesses has a great contribution to commercial activities. However, whether “entrepreneurial marketing” with an entrepreneurial approach - regardless of the firm size and history- is attributed to marketing activities or not, is doubted. Studies conducted on entrepreneurial marketing suggest that it is applicable to all firms - regardless of their size or history. There is a conflict between the two emerging areas. Today, the most substantial difference between the areas is the focus given to numerous aspects of small businesses. Based on the evidence concerning the role of SMEs in the economy, and their effect on gaining sustainable competitive advantage, particularly in marketing, (Seyyedamiri, 2012), the current research aims to find answers to these questions: What are the characteristics of an SME marketing model for the ICT industry? What is it composed of? What relationship exists between different components of the model?

Theoretical background

An entrepreneur, in early economic literature, was described as a dealer. With the advancement of entrepreneurship literature, entrepreneurs were paired with terms such as, production and distribution coordinator, modern leaders and modern managers (Carson, 2010). The history of entrepreneurship has experienced numerous schools of thoughts such as, neoclassic school, psychological school and the Austrian economic school (Nwankwo and Gbadamosi, 2012), each with different definitions and assumptions for entrepreneurship. The most prominent views in the entrepreneurship field are the result of two well-known scholars with contradicting thoughts: Joseph Schumpeter and Israel Kirzner (Kirzner, 1997). Considering the different methods used by entrepreneurs for acting in markets, we can assume that Schumpeter’s and Kirzner’s followers can co-operate simultaneously because the former is involved in intermediary activities and the latter in innovative ones (Bjerke, 1997).

Most of the literature on SMEs is inseparably related to different aspects of entrepreneurship literature (Nwankwo and Gbadamosi, 2012), to the extent that the two terms “small business manager-owner” and “entrepreneur” is used interchangeably. However, recently efforts are made to distinguish between these two terms (Carson, 1990).

While there is no consensus on the term ‘entrepreneur’, it refers to opportunity-based individualistic activities leading to value creation, accompanied with risk and dependent upon innovation. Entrepreneurship “is the process of identifying and exploring opportunities which leads to growth.” Stevenson et al. define entrepreneurship as following an opportunity without taking the available resources into the account. Bygrave and Hofer (1991) believe entrepreneurs are individuals with the
ability to recognize and follow an opportunity and form an organization (Bygrave and Hofer, 1991).

According to Brooksbank and et al (1992), entrepreneurs buy at a definite price and sell at indefinite price (Brooksbank et al., 1992). Kirzner (1997) defines entrepreneurs as follows: He recognizes the opportunity and puts his efforts to satisfy those needs that remain unsatisfied (Nwankwo and Gbadamosi, 2012).

Entrepreneurship is considered a managerial behavior followed by innovation, flexibility, responsibility and opportunity recognition, which leads to more complex and efficient management (Tajdin, 2008). With a more comprehensive definition for entrepreneurship, most scholars were interested in the field. According to this definition, entrepreneurship is beyond efforts from an individual. Also, entrepreneurship is defined as sets of behaviors leading to re-allocation and management of economic resources to create value. Bygrave and Hofer (1991) believe entrepreneurship is a purposeful activity for developing, maintaining and expanding a business to achieve benefit (Bygrave and Hofer, 1991).

Entrepreneurial marketing: Definition

Entrepreneurial marketing refers to marketing activities carried out in small firms and “new businesses.” Morris et al (2002) argue that the expression “entrepreneurial marketing” has been used in a rather inconsistent way. Any concept has the potential to be interpreted in different ways (Morris et al., 2002).

Integrating the definitions provided for marketing and entrepreneurship by the American Marketing Association (AMA), Carson (2010) developed a definition for entrepreneurial marketing. According to Carson (2010):

“Entrepreneurial marketing is an organizational function referred to sets of processes for creating, exchanging, and distributing value to customers and managing their relationship in a way that is profitable to the organization and its shareholders” (Carson, 2010).

Entrepreneurial marketing (EM) has characteristics such as innovation, risk-taking, and initiative and, its implementation is not necessarily conditioned to the resources available to the organization (Capon et al., 1992; Ahmed, 1998). Morris et al (2002), states that the term “EM” has been used in different and irregular ways since everything can be interpreted in different ways. He provided a definition of EM as, “an integrative construct for conceptualizing marketing in an era of change, complexity, chaos, contradiction, diminishing resources, and one that will manifest itself differently as companies age and grow. It fuses key aspects of recent developments in marketing thought and practice with those in the entrepreneurship area into one comprehensive construct”. EM is also described as the processes firms undertake when developing new and innovative ways to market their products and create value for the customers in ambiguous market conditions, often under resource constraints. Kraus et al (2010) stated that EM includes innovative marketing activities that require an entrepreneurial mindset (e.g., guerilla marketing, buzz marketing, viral marketing). Building on the AMA definition of marketing and extending Morris et al’s (2002) definition of EM and Kraus et al offered the following comprehensive definition of EM: “Entrepreneurial marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders, and that is characterized by innovativeness, risk-taking, pro-activeness, and may be performed without resources currently controlled” (Kraus et al., 2010).

Intersection between marketing and entrepreneurship

Marketing is pervasively considered as the key for small business survival, development and success (Carson, 2010; Bjerke, 1997). Reid et al, (2005) define marketing as the logical root for organizational entrepreneurship (Reid et al., 2005). Banbury and Mitchell (1995) argue that entrepreneurship has its origins in marketing (i.e. marketing is the starting point for entrepreneurship). While the findings by such investigators focus on established and large businesses, their results regard marketing as entrepreneurship in SMEs. Moreover, marketing is assumed to have a significant effect on these firms, to the extent that investors estimate its significance level at 9.1 out of 10, which is more significant than the score for other activities carried out in firms (Arias-Aranda et al., 2001). Before the 1990s, it was assumed that small and new businesses need a simplified version of the complex marketing techniques used in larger firms. However, there was a wide discrepancy between the current
standard approaches taught and what was practiced in small firms as marketing techniques (Arias-Aranda et al., 2001).

The approach taken by most writers was to use the basic marketing concepts (used for planning processes and executing pricing, promoting and developing the ideas, products and services), to achieving individual and organizational goals (AMA) and compare it to those of the entrepreneurial marketing process (Blythe, 2001). Finally, the components of marketing mix, i.e. 4 Ps, is adopted by most firms (Nwankwo and Gbadamosi, 2012).

Recently, Hills et al (2008) studied the development and evolution of this academic field. Their findings show deviations of entrepreneurial marketing processes from the major marketing trends (Hills et al., 2008). According to Reynolds (2002), the conventional marketing approaches seem to be appropriate for SMEs, however, since the opportunities and threats faced by these firms are different from those faced by larger firms, using marketing theories particular to SMEs would be more beneficial (Reynolds, 2002).

Numerous studies are conducted in the field of entrepreneurial marketing. The results of this research are gathered in Table 1.

Table 1. The abstract of researches about EM.

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Country</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Jones (2010)</td>
<td>Britain</td>
<td>Significant relationships between EM and Business creation</td>
</tr>
<tr>
<td>Ian Fillis (2010)</td>
<td>Britain</td>
<td>Using artistic approach for applying EM act</td>
</tr>
<tr>
<td>Kocak and Abimbola (2009)</td>
<td>Britain &amp; Turkey</td>
<td>Studying the organizational structure in Global businesses for specifying the role of EM in business success</td>
</tr>
<tr>
<td>Mort, Weerawardena and Liesch (2012)</td>
<td>Australia</td>
<td>Identifying 4 key strategies related to opportunity creation, innovative products based on customer needs, enhancing resources and rule of Law. These strategies have been identified as basis for upgrade performances.</td>
</tr>
<tr>
<td>O'Dwyer, Gilmore and Carson (2009)</td>
<td>Ireland</td>
<td>Studying the multi dimensional result of innovative marketing which not only is related to products but also related to technological improvement</td>
</tr>
<tr>
<td>Sargeant and Mohamad (1999)</td>
<td>Britain</td>
<td>Studying the various elements of EM for SME’s</td>
</tr>
<tr>
<td>Deshpande and Farley (1998)</td>
<td>USA</td>
<td>Designing the EM Model</td>
</tr>
<tr>
<td>Pelham (2000)</td>
<td>USA</td>
<td>Studying the relationships between EM and aspects of Internet advertising</td>
</tr>
</tbody>
</table>

The empirical background was studied by reviewing significant aspects from the latest research.

Environment of EM

Marketing environments have particular characteristics in common that affect customers. Therefore, the marketing environment needs to be studied and understood. In general, factors affecting the marketing environment show how market needs are met.

The characteristics of SME marketing

While SMEs face consistent limitations differentiating them from larger organizations, these dynamic characteristics have their origins in undetermined features, such as the environmental conditions in marketing. Therefore, to analyze the characteristics affecting the marketing activities of small businesses, one needs to consider sets of these characteristics.

Marketing skills

Hardy (1992) adds another aspect to marketing skills and argues that managers are members of marketing teams and require marketing skills, knowledge and trends. Hardy integrates models that describe the skills of managers (individually or as a part of a team). He develops a new group of managerial capabilities that deals with marketing challenges, and he states that another group of skills could be identified through studying the challenges faced by managers. He identifies the conventional marketing challenges faced by firms to develop some basic marketing skills including: general skills, sub-skills, knowledge, trends (including norms and standards), nurturing attitudes, creativity, and tracking (Hardy, 1992).
Entrepreneurial skills

Smart and Conant (1994) discuss entrepreneurial orientation, major marketing skills and organizational performance. They conclude that entrepreneurial trends have a positive significant relationship with marketing skills and organizational performance. Their study is related to findings by Hills and Laforge (1992) that identify 6 dimensions for entrepreneurial orientation as follows:

1. Risk-taking
2. Orientation toward strategic planning activities
3. Ability to identify customer demands
4. Possessing an acceptable innovation level
5. Persistence in changing business perspectives to actual outcomes
6. Ability to identify new opportunities (Smart and Conant, 1994)

Entrepreneurial approaches to marketing functions

Entrepreneurial marketing follows the 4Ps (price, place, promotional activities and product) + C (customers) model which will be discussed below. The 4Ps + C model is a variation of 1Ps marketing model which focuses upon the above factors. The main advantage of the 1Ps framework is adopting an efficient service oriented attitude. As for small businesses, C in 4Ps + C model stands for customer management. Therefore, the components of entrepreneurial marketing mix include: product, price, place, promotion and customer management (Nwankwo and Gbadamosi, 2012).

METHODOLOGY

The present paper focuses upon SMEs. Iranian SMEs face enormous problems in achieving entrepreneurial marketing. On the one hand, marketing is a key factor for large businesses to achieve competitive advantage. On the other hand, identifying and planning a marketing model for SMEs could coordinate efforts made by experts and managers in this field. Therefore, this research aimed to answer the question: What would the marketing model for new SMEs be? Marketing as a concept refers to a process for developing products and services by businesses and transferring it to target customers to satisfy their needs, which results in value-adding for business owners and managers. Entrepreneurial marketing in an organization indicates that it follows a dynamic creative marketing process and achieves competitive advantage through opportunity identification and risk-taking (Arias-Aranda et al., 2001).

VALIDITY

To improve the quality of results, five validity processes introduced by Lincoln and Guba (1985) are carried out as follows:

i. Credibility was accomplished by providing data interpretation feedback to research participants.
ii. Transferability was achieved by continuing the sampling process until reaching stability, regarding the theoretical categories and properties, such that no new disconfirming data could be found by continuing the sampling process (Glaser and Strauss, 1967), and the concepts can explain all data points “from all participants”.
iii. Dependability was achieved by asking participants to reflect on past and recent events, ensuring the findings were not limited to recent time or place, to aim for consistency in explanation.
iv. Confirmability was achieved by an audit of data analysis by co-researchers, to ensure researcher bias was avoided.
v. Integrity was attained through the avoidance of participant evasion, achieved by interviewing in a professional and non-threatening way and ensuring confidentiality.

The ‘Grounded Theory’ also requires the emerging theory to satisfy four criteria – fit, understanding, control and generality (Glaser and Strauss, 1967). To date, the emerging concepts and value fit well with the data, the actions of the interviewees are understandable, and are generally enough in conceptual explanation, to provide some level of control for future situations.
ANALYTICAL PROCESS

The Grounded Theory builds through a six-step process (Glaser and Strauss, 1967; Strauss and Corbin, 1990):

i. Data collection and analysis were conducted to explore the data. Sampling was not by population, but rather pursued variation in interviewee experience.

ii. Data was coded to find categories (open coding), their relations (axial coding) and later, an overarching theme (selective coding).

iii. Categories were compared with data and revised accordingly.

iv. The outcomes of analysis, through identifying categories and comparisons, were documented using field 'memos', to reflect and resolve researcher bias.

v. Data collection and analysis continued iteratively, to theoretical saturation with no new perspectives emerging. Saturation was reached at approximately 10 interviews.

vi. The produced theory was compared with current literature to enrich the theoretical explanation. Categories and properties have all been connected to a core category, or core variable. Glaser and Strauss (1967) explained, “in the beginning one’s hypotheses may seem unrelated, but as categories and properties emerge, develop into abstraction, and become related, their accumulating interrelations form an integrated central theoretical framework—the core of the emerging theory” (Glaser and Strauss, 1967). The core variable tied together the diverse perspectives in the data, creating a more systemic perspective than those of individual pieces of data.

An attempt was made to explore significant relationships between core categories in various ways. Using a modeling approach in this stage showed a clear relationship between core categories. Figure 2 shows a sample of aforementioned models. Theoretical coding was continued up to achieving the final model (Fig. 2).

The statistical population of research includes all SME and SME marketing experts. However, collecting information from the whole population is practically impossible, and if possible, it is not feasible with regard to the limited time, costs and other facilities. Therefore, based on the level of expertise, knowledge and cooperation in resource allocation decision, a population sample was taken using the snowball method. Data collection process for developing a theory is as follows: the researcher collected, codified and analyzed the data, and in the next phase decides for additional data to be collected (Glaser, 1995a, b; Strauss and Corbin, 1990). As for theoretical background, sampling completes the details for a limited area. However, Strauss and Corbin (1990) propose a sampling method for identifying the codes imposed by conditions, outcomes, etc. (Glaser, 1995a b; Strauss and Corbin, 1990).

The sample included 10 manager/owners of firms active in the field of IT, as well as academic and industry experts; in addition one scholar had an executive background in the IT field. To ensure whether enterprises are small and entrepreneurial, the managers-owners were asked questions about their areas of activity, human resources and products. Schumpeter's entrepreneurship approach was adopted to examine if the businesses were entrepreneurial. This research instrument comprises 9 categories in the form of open interviews with manager/owners and experts. Tables 2 and 3 list the

<table>
<thead>
<tr>
<th>Table 2. Danish small businesses.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company</strong></td>
</tr>
<tr>
<td>Blue Town</td>
</tr>
<tr>
<td>Switch-Gears APS</td>
</tr>
<tr>
<td>MediaHand</td>
</tr>
<tr>
<td>LifePilot</td>
</tr>
<tr>
<td>TightDB</td>
</tr>
<tr>
<td>AQTIW</td>
</tr>
<tr>
<td>Bluekey Company</td>
</tr>
<tr>
<td>Gettop Acustic</td>
</tr>
<tr>
<td>Scandinavian Solar Systems</td>
</tr>
<tr>
<td>CoreSource</td>
</tr>
</tbody>
</table>
names of the companies, as well as interviewees interviewed in this study. The study used classic
grounded theory as the theoretical background of the research.

The purpose of the grounded theory is developing a theory composed of related assumptions
achieved through consistent comparison of data. “Grounded theory is an integrated collection of
conceptual assumptions achieved through data collection. In fact, scholars who follow the grounded
theory try to identify the main concern of the participants and propose solutions. Grounded theory
“uses data for developing theories rather than for testing theories” (Glaser 1995a, b; Strauss and
Corbin, 1990).

To answer the research questions, researchers listened to recorded interviews and extracted
keynotes. Each keynote is considered an event. These events were moved to a higher level, i.e. a
concept level. Whilst some concepts are the results of multiple events others are obtained from one
event, or through adding an abstract level. Using a coding card is particularly useful for this process.
Similar concepts and corresponding events were written on each coding card. Finally, for each card a
name was chosen and written at the top of the card, this is now a category. Although laborious this
provides the researcher with the opportunity to control data and observe categories more precisely.

As it was noted earlier, the research process is not linear, it can be reciprocating. In other words,
a concept might be removed from a card but then added back to it afterwards.

The coding process continued until the core category was identified. The core category is, in fact, the
primary concern of the participants. Numerous factors were identified for selecting the core category,
the most important of which are: it has to be central; it has to be related to other categories; it has to be
repeated in the data and has to take more time to be saturated. Initially, the two categories of business
management and business marketing were considered as the core category. However, after reviewing
the notes it was revealed that the core category is SME marketing.

Marketing characteristics have all the criteria required to be the core category. To test the reliability of
the research process, the collected codes were examined by three faculties, the Commercial
Department, the Faculty of Management and the University of Tehran. Four other business owners were
also interviewed. Interviews were carried out with three industry and academic experts, shown in
Tables 2 and 3).

One open code was selected as the core category, with other primary codes categorized as the
features for the core category or related categories. At selective coding level, coding for the core and
related categories was conducted, other unrelated data was excluded. Further sampling was carried
out to develop the theory, despite the previous level. Questions at this level are not neutral, they are
purposeful and related to identified concepts.

Selective coding continued until core and related categories are saturated. When further
characteristics are not identified, through reviewing the data and the events rarely provide new
indicators for current characteristics, saturation is achieved. The saturated categories for the research
are as follows: environment, decision-making, competitors, customers and constraints.

All concepts developed at previous levels were reviewed and the interview questions were
precise. Interviews conducted at this level were shorter and more effective. Coding at this level is
simpler and coding for the core and related categories is more straightforward than coding for
multiple categories.

Each participant is assigned a code (P) and each category assigned a category code (F) (table 4).
After the saturation, a sorting level is required, in which the theoretical notes are organised. It should be noted that at this level the ideas are classified, but not the data. Sorting of the notes provides a theoretical outline or a conceptual framework for developing the grounded theory.

Theoretical coding was carried out during the classification and integration of the notes. Theoretical codes conceptualize the relationship between different categories. Through sorting the notes the best theoretical codes are identified.

Open and selective coding sort, classify and decrypting data. At this stage, concepts are linked to one another through theoretical codes. Various efforts are made to link the categories together. The theoretical codes, proposed by Glaser (1995a, b), were studied in detail and different methods used to link categories together examined. Models (Fig. 1) were used to fully understand the links between categories and demonstrate the theory.

### Table 4. Categories and codes

<table>
<thead>
<tr>
<th>Codes (Functions)</th>
<th>Name of core categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>Market needs (needs assessment of the target market and customers), CRM</td>
</tr>
<tr>
<td>F2</td>
<td>Innovative products and services according the needs of customers</td>
</tr>
<tr>
<td>F3</td>
<td>Distribution Channels</td>
</tr>
<tr>
<td>F4</td>
<td>Decision making about products and services</td>
</tr>
<tr>
<td>F5</td>
<td>Advertising</td>
</tr>
<tr>
<td>F6</td>
<td>Pricing</td>
</tr>
<tr>
<td>F7</td>
<td>Environment (political, social, economic, technological, etc.)</td>
</tr>
<tr>
<td>F8</td>
<td>Competitors</td>
</tr>
<tr>
<td>F9</td>
<td>Networking</td>
</tr>
<tr>
<td>F10</td>
<td>Communications</td>
</tr>
</tbody>
</table>

Figure 1 shows the initial Model of EM for SME's in ICT. The theoretical coding process continued until the final model was achieved (Fig. 2). Figure 2 shows the gravity theory for entrepreneurial marketing.

**RESEARCH FINDINGS**

Interviews analysis shows that marketing characteristics of SMEs active in ICT industry is similar. Interestingly, the Iranian and Dane businesses share common concerns. Common marketing characteristics for these businesses include:

* Budget
* Technological advancements
* Rivals and large businesses
* Outsourcing
* Investments
* New and challenging opportunities in emerging markets
The analysis and coding of the interviews with Iranian manager/owners reveals SMEs in the Iranian ICT sector face specific challenges as follows:

* Changing demands of the Iranian society
* Unstable environmental conditions
* Lack of professional human resources
* Lack of commitment to intellectual property rights
* Product development and promotion

The analysis and coding of the interviews with Dane manager/owners reveals SMEs in the Danish ICT sector face specific challenges as follows:

* Internationalization of businesses
* The emergence of new markets
* Innovations
* High tax expenses

After theoretical coding of interview data, a final model was obtained. In the model below, the center of gravity is entrepreneurial marketing, which correlates with Glaser's approach. Validity and reliability of the model was tested through interviews with 20 academic experts.

**Theory development**

To find an answer to the research question “what are the components of a model for marketing at SMEs in the ICT industry and how are different components related?” the classic grounded theory is particularly useful. As in physics, center of gravity is the point in a system where the mass of that system is centralized.
Entrepreneurial marketing is conceptualized based on marketing and entrepreneurship. Entrepreneurial marketing is a conceptualization of marketing and entrepreneurship in certain circumstances, like fierce competition and an unstable environment. In an unstable environment, the managers of SME’s should focus on their approaches to meet the customers’ needs, in forecasting emergent changes in the environment and quickly responding to any movement that attracted competitors. Marketing activities, particularly in chaotic environments, are important.

In normal conditions, firms could focus on satisfying customer demands. When the environment is characterized by stronger interdependence among firms, marketing experts need to move their interests towards predicting and responding to competitors. In cases where environments are chaotic, marketing experts need to introduce higher entrepreneurial levels to the marketing activities of these firms. Firms are encouraged to engage in opportunistic, risk-taking, innovative, customer-based and value-adding marketing efforts (Azad, 2013).

Some marketing factors affect adopting entrepreneurial attitudes. The more a marketing activity is entrepreneurial, the more it will cooperate with employees with diverse mindsets. Similarly, the more marketing divided into different parts of a business and the more it is decentralized, the more marketing managers will become entrepreneurial.

In addition, when specialization is carried out at higher levels, entrepreneurial behavior is improved, provided that experts are familiar with informal structures and parallel connections with other experts. Marketing response is another factor affecting entrepreneurial behavior. Where marketing is based on communication a higher entrepreneurial behavior level was observed. Depending on environmental conditions, decisions made by managers, customers, limitations and competitors, the entrepreneurial marketing mix is determined, which in turn sets entrepreneurial marketing strategies.

PART I: CHARACTERISTICS OF SMALL BUSINESSES

The factors below are specific to small business marketing. Small businesses go through a common marketing procedure, an executive process designed on a marketing campaign. The factors below affect promotion campaigns launched by small businesses.

Decision-making: Decisions in SMEs are usually made by the business manager/owners. Decision-making processes in small businesses are more personal and less professional.

Competitors: In the business environment, competition is inevitable. Small businesses are affected by a competitive environment because larger firms dictate certain conditions upon them.

Environment: All businesses are developed in a business environment. A business environment is the first place where an idea is developed by the manager/owner. Marketing environments for SMEs can be divided: an internal environment, including structure, management system, financial system, marketing system, production system and human capital system; and an external environment, including the specific environment composed of suppliers, mediating markets, customers and competitors, and the general environment, namely political, economic, technological and biological environments.

General environments have significant effects on small businesses and their marketing systems.

Limitations: Limitations might include a limited budget (such as marketing budget), a limitation in expertise (such as marketing expertise), limitations in human resources and limitations in marketing campaign instruments.

Customers: Customers are attracted to the products of a given business based on the target market chosen by the business. In small businesses, the process for changing the prospects into actual customers is complex.

PART II: SME MARKETING MIX

Marketing processes include a marketing mix, which is an instrument for determining marketing strategies. SME marketing mix for the businesses studied are 4Ps and 1C.

Product: including material, design, production process, features, quality, packaging and after-sale services.

Distribution: delivering the final product from firm location to the final user in the target community, market coverage and distribution locations.

Pricing: a process during which pricing strategies for products are decided upon and the final price for final users are determined.
Promotion: the process of introducing the products and attracting customers from the target population. Promotion processes in SMEs have distinct features. It includes campaigns, creative advertisement, discounts, installment sales and samples. The purpose in this process is branding and improving the market share.

Customer management: includes customer relationship processes, customer retention and attracting new customers. Branding processes and brand loyalty are included in this factor. The final purpose in this process is obtaining a higher market share.

PART III: THE COMPONENTS OF SMALL BUSINESS MARKETING

When small businesses identify a marketing mix, they can determine marketing components. Using these components, marketing processes move into executive levels. Each component below is related to the marketing mix.

Relationship marketing vs. networks: A network of small businesses needs to be formed to go through the marketing process. As for the limitations discussed in the first section, in relationship marketing multiple businesses need to work on a product to develop the final product and distribute it to consumers. Through relationship marketing, a network of producers form a group in which each small business acts as a production unit for a larger business and develops a part. This way, production expenses are divided between small businesses. For example, small businesses form an industrial cluster in which each business manufactures a part and another business assembles the final product.

Marketing communications: Marketing communications are tools used for communicating with customers. Small businesses require integrated marketing communications, which include five components: advertisement, public relations, promotion, direct marketing, personal sale, packaging, sponsoring and customer services. The components below are related to consumer management mix.

Value pricing: Value pricing is a pricing strategy for price mix. New products are developed as samples or pilots and distributed to a small portion of the target population. Afterwards, they are asked to estimate a price for the product. Obviously, each individual would attribute different prices based on his perceptions. The average price is the perceived value determined by costumers, this is the price for the final product.

Management Innovations in High-Growth SMEs: New product development is part of small business growth. These businesses are generally at earlier levels of development. Therefore, they need to manage their processes and product innovations to achieve growth. Innovation requires a tendency of the staff to learning and achieving knowledge. Tendency is a component of product mix, it is also a component of the creative destruction process.

Emerging markets: SMEs start their businesses through targeting and identifying a small market. To achieve growth, SMEs need to enter new markets. According to Schumpeter, entering new markets is a component of entrepreneurship and creative destruction. This is what differentiates Schumpeterian school-of-thought from the Austrian school-of-thought. Entering new markets is a component of distribution mix (Cheah, 1990).

Customer-oriented perspective: Customer orientation is part of today’s business culture. This culture moves SMEs towards market orientation. Market orientation, in turn, leads to costumer orientation. According to this cultural value, all employees of an SME consider customers as themselves. Therefore, the customers’ view becomes an inseparable part of business. SMEs communicate with customers more easily. For their flexible and flat organizational structure of these businesses, customer orientation is facilitated. This component is part of customer management mix.

Internet network marketing: With advancements in information technologies, new instruments are frequently introduced to marketing processes. These facilitating instruments develop marketing processes. The internet has helped the promotion process, and through online advertisements promotion expenses are lower. The web has facilitated communication between businesses and target customers and has reduced communication expenses. The Internet facilitates interactions between customers and producers. Social networks, such as Facebook and Twitter provide an efficient context for SME managers/owners to run promotional campaigns and reduce advertisement expenses.

Flexibility in distribution networks: SMEs are incapable of having widespread distribution networks. Therefore, to cut expenses, it is more efficient to develop distribution channels. One effective solution is a flexible distribution network, constructed by a network of SME’s. This element is related to place mix.

Value Franchising: To promote a brand, SMEs needs to franchise their brand. Value franchising is carried out based on brand value.
Brand valuation is carried out based on product innovation and recognition in target markets. The franchising model of business is a useful tool for promoting SME development and improvement of strategic position. Franchises take advantage of customer’s goodwill as expressed in brand value (Blythe, 2001). The evaluation of a brand is based on innovative products and recognition of the market. For example, in Iran Icepack as an SME took many advantages by franchising. This process is necessary for the ICT industry as well. This element is related to promotion.

CONCLUSION

In order to continue dynamic and static marketing arguments, it is essential to determine some features that help us reach the research goal. Each of these features may be described in different states, under static conditions where they can be used as a reflection of the final stages of creative marketing. Additionally, dynamic marketing features are largely used to determine the final stages. Under static conditions, creativity could be interpreted as a convergent paradigm to refine or use available knowledge to solve structural problems. Creativity and analysis are factors that follow one another and are used for measuring, collecting and formulating given information in line with marketing decisions. This is one instance where creativity is used in the postmodern economic theory for marketing decisions. For instance, it is used in dynamic analysis and in methods that utilize creativity in the steady state and stable creative marketing. Similarly, creative marketing under stable conditions could be employed to demonstrate how products are distributed, as motivational methods that attract customers. However, it might be viewed as a traditional economy or economic theory. The market is the driving factor for marketing intelligence and could help in marketing decisions and alterations to them as separate processes, in the form of a whole creative process. This occurs irrespective of the explicit factors that demonstrate differences between the processes.

Ultimately, one of the dynamic features of entrepreneurs suggests that the new conditions of information management are taken into account in the first stages of a product. In order to have effective planning and creative enterprises, use the obtained information in processing the first stages with a view to the final stages. It is also regarded as a useful information resource for the improvement of enterprises. Organizational activities that are executed based on the postmodern approach are usually accompanied with tension in organizations. In more modern views, planning is based on economic issues. This leads to a balanced view towards these aspects and an understanding of entrepreneurial relations in dynamic marketing.

The research findings can be divided into the following categories based on their contribution:

A) Theoretical contribution: the overlaps in the theories of marketing and the theories related to entrepreneurial approaches have brought the present research to create knowledge with a new paradigmatic approach in the context of entrepreneurial marketing in the field of ICT; and to create information in the common areas of these two fields, hence an interdisciplinary contribution to the literature. This contribution relates to marketing, which is often more practical and widely used for larger organizations than to small and medium enterprises in ICT. Moreover, the marketing process in these enterprises breaks down to a more a practical process.

B) Research methodology: this research attempted to employ the Grounded Theory using Glaser’s approach, thus introducing a novel method in marketing studies never before used in Iran.

RESEARCH RECOMMENDATIONS

For further research, the authors recommend the examination of the model using quantitative approaches, especially, an examination of different scenarios and causal conditions. Furthermore, it is recommended that the research model and theory be examined using SMEs in an experimental study that employs an experimental research approach. Finally, considering numerous problems facing SMEs, similar research should be conducted for other industries within the scope of entrepreneurial marketing.

REFERENCES


