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PLANNING AND IMPLEMENTING PROMOTION IN SMALL AND MICRO ENTERPRISES: BRIDGING THE GAP BETWEEN INTENTIONS AND ACTUAL BEHAVIOUR

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Abstract

The research outlines the features of promotional practices in micro and small enterprises and does not group the smallest enterprises into often used broader category together with medium enterprises, as we show that there are significant differences between smaller and medium enterprises related to planning and implementing of promotion activities. We analyse the attitude of decision-makers in small and micro enterprises towards promotion, their intentions in the field and the way planning and implementation of promotional activities are being realized. Conclusions rely on quantitative survey that we conducted in 2015 on sample of 441 small and micro enterprises in Slovenia and additional semi-structured interviews that were conducted with decision-makers in 17 small and micro businesses.

Key words: small and micro enterprises, promotion, marketing, attitudes, planning, promotional tools

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Introduction

Small and micro enterprises (SMIE) are both globally and locally numerically by far the most powerful economic group and, therefore, generally recognized as the most important force in the global economy. In Slovenia, where our research took place, small and micro-enterprises represent 98.8% of Slovenian economy (Statistical Office RS, 2013). Due to their small size, they are more vulnerable and their performance is limited compared to larger enterprises, yet, they can be more flexible, able to respond quickly to new business opportunities and timely transform innovative ideas into marketable new products and services.

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In a large part of scientific literature on marketing analysis, small and micro enterprises are grouped within a broader category of small-and medium-sized enterprises. In our research, we focus merely on small and micro enterprises for various reasons. Firstly, in Slovenian economy, the latter dominate by large. Secondly, we believe that there are significant differences in relation to the possibilities of organization and implementation of promotion activities between medium-sized enterprises and small and micro enterprises. With medium-sized companies there is a much higher occurrence of specialized professional workforce in the field of marketing and marketing departments, being a part of companies' organisational structure, ensure staff that deals mainly or solely with this business function. In this respect, they are more similar to large than small businesses because marketing in small and micro enterprises is often only one of many tasks performed by the owner/the managing director.

Marketing mix in a large company may be in its essence the same as in a small one – similar to large companies also small-sized companies usually use all of the elements of a classical marketing mix, even though they often do not reflect on it. In large companies, marketing is more complex, but unlike in small businesses, the significant advantage of large companies is that they usually have an available and skilled team, sufficient resources to be able to hire an external creative agency or sufficient resources for communication via mass media. Managers dealing with marketing activities in a small company have significantly different starting position as a marketing managing director of a large company. His/her operations often cannot follow the conventional marketing principles and approaches, so he/she has to be innovative, find alternatives and adopt conventional marketing frameworks to the specific situation of his/her company (O'Dwyer, Gilmor and Carson, 2009; Gilmore 2011; Gross, Carson and Jones, 2014).

This article focuses on promotion as a part of marketing mix, referring to the set of activities which communicate the product, brand or service to the customers with an aim to inform them about the enterprise and its offerings. It can include activities such as advertising, sales promotion, personal selling, public relations or direct marketing. Promotional activities of small and micro businesses are usually more informal, unstructured, sales-oriented, spontaneous and short-termed (see for instance Khattab, 2013; O'Donnell, 2014; Walsh and Lipinski, 2009). In the daily struggle for survival and growth the field of promotion is often not given sufficient attention. Investments in marketing may also be perceived as an unnecessary expense. With this, companies are losing

business opportunities that greater focus and professionalization of this segment can bring.

The main purpose of this research is to explore: a) the attitude of decision-makers regarding promotion activities in SMIEs (small and micro enterprises) and b) how promotional practices in SMIEs are currently being realized in Slovenia. Conclusions rely on our own quantitative survey that was conducted in 2015 on the national representative sample of 441 SMIEs in Slovenia and additional semi-structured interviews that were conducted with decision-makers in 17 SMIEs.

Numbers are not the only determining factors that distinguish small and large enterprises

To define SMIE (small and micro enterprises) we used the definition of small-, medium- and micro-sized enterprises in the EU recommendation 2003/361 (EC, 2003). The main factors of classification are: 1) staff headcount and 2) either turnover or balance sheet total.

Table 1: Classification of small-, medium- and micro- sized enterprises

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Source: EU recommendation 2003/361(EC, 2003).

A literature review reveals that many authors (see for example Gilmore, Carson and Grant 2001; Fillis, 2002; Carson, 2003; Gilmore, 2011; Parrott, Room and Holiman, 2010; O’Cass, 2012; Franco et al., 2014; Londhe, 2014; Katona, 2014; Beneke et al., 2016) agree that marketing of small businesses is marked by certain common characteristics that distinguish them from large organizations. However, this does not mean that SMIEs practice the same kind of marketing (Reijonen, 2010). Their advantages can be flexibility and ability to adapt to the market situation faster, proximity to target market, lower overhead expenses, tighter direct relationship between employees and management etc. The obstacles to small and micro enterprises can be seen in limited financial resources, low market power, limited human resources and omnipresence of the owner/the managing director.

Marketing activities in smaller enterprises are more informal, unstructured, sales-oriented, spontaneous and short-termed. They are carried out intuitively and are often based on experience and knowledge of the owner/the managing director (Franco et al. 2014, Centeno, 2012).

He/she is usually torn between all aspects and processes in a company and is also the decision-maker when it comes to marketing activities, which are heavily influenced by his/her experience, limited skills and personal values (Carson, 1995). Owners/managing directors are the main drivers of personal sales, advertising and representatives for public relations. They are generalists who need to be able to undertake a full spectrum of business activities (Franco et al., 2014). However, most commonly a small business owner is an expert in one of technical areas and is often not specifically trained in marketing (Centano, 2012).

In SMIE, rather than on marketing, the focus is on sales and often these two concepts are seen as synonymous (Spicket-Jones and Teck-Yong, 2006; O'Dwyer 2009). One of the largest shortcomings of small businesses is their inability to attract and afford high-quality professional staff, which is especially characteristic for the field of marketing. In SMIEs, it is quite common that omnipresent owners/managing directors rely more than on strategic planning on their own feelings and impressions. Burdened with almost all the decision-making functions he/she is forced to act quickly and intuitively. Faced with numerous time constraints, he/she may focus more on solving current problems and neglect the long-term planning. Activities are usually short-term and based on owners' intuitive decisions, ideas and "common sense". The effect of marketing activities relies on continuous development of knowledge that develops based on actual experience with a particular use of marketing tools, the entrepreneurs obtain through learning by doing (O'Dwyer 2009). Formal tools of planning or systematizations of daily procedure are rarely used as they are often perceived as a lengthy, time-consuming and unnecessary activity.

Another common feature of SMIEs is a limited impact on the market. In comparison to large players they have incomparably fewer orders, fewer customers and fewer employees, so their impact in a sector or in a geographical area is very limited, which is reflected also in their abilities in marketing communication (Carson, 1989). Marketing budgets of large and small enterprises are mutually incomparable, therefore, it is not surprising that small businesses almost cannot afford advertising in traditional mass media such as television and the press or other support tools, which are important in the strategic planning and implementation of marketing – for example, research (as a key part in defining objectives and performance verification) or hiring high-quality creatives for the production of promotional messages (Franco et al., 2014).

As small businesses cannot compete on a basis of economics of scale, their competitive advantage heavily depends on the development of

innovative or specifically targeted products/services, which are processes that are very dependent on accurate information about the market and the consumer. In case of SMIEs, innovative approaches are needed in the area of marketing as creative, alternative and innovative marketing practice is also possible when there is a shortage of financial resources (O'Dwyer, 2009).

The featured characteristics of SMIEs affect processes of planning and implementation of marketing activities. Using survey methodology, we explored how these processes are being realized in SMIEs in Slovenia. Some companies seem to use marketing tools successfully in order to increase sales and in doing so they often rely on their own experiences, feelings and their own examples of good practice and good practice of others. In order to get further insights into these processes, we conducted semi-structured interviews with managers, responsible for marketing in some of the most successful small and micro firms in Slovenia.

Research Background and Methodology

In 2015, we conducted a survey on a national representative sample of 441 SMIEs in Slovenia. The target group in our study were the decision-makers in the field of marketing in small and micro enterprises in Slovenia. In the selection of the sample, the following selection criteria were set: a) the number of employees in the company is less than 50; b) the company has been active in the market for at least 5 years, which eliminates the companies that demonstrate high growth and different business focus in the initial phase of the existence. In doing so, we rely on recommendations of Gilmore, Carson and Grant (2001).

On 7. 1. 2015 there were 39,399 companies in Slovenia that met both criteria (AJ PES). Based on such target population, the recommended optimal sample size of 381 companies was calculated. The database of web addresses for our sample population was provided by Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJ PES). After testing a questionnaire, an online survey was created. Invitations to the online questionnaire were sent via e-mail to 5,400 enterprises (every seventh company from the entire list of companies that match the criteria was chosen). 36.11% of addresses provided to us by AJ PES proved to be invalid, which means that the questionnaire was delivered to 3,450 addresses. 441 responses were received (12.78% response rate), which is, considering that the questionnaire is quite long, satisfactory. Given that the realized sample of our survey, which included 441 companies that represent 1.12% of the population, exceeds the required sample size, which would provide a confidence

level of 95% with a 5% sampling error, for 15.75 % and given the sampling method used, we believe that the realized sample can be trusted without weighting.

Before the implementation of the survey, a pilot study was conducted, where our measuring instrument was tested. When designing our measurement instrument, we relied on Ajzen's idea (Ajzen, 2005; Ajzen and Fishbain, 1980) that behavior depends on behavioral beliefs, normative beliefs and control beliefs. The statements used in the questionnaire refer to all three areas of beliefs. For measuring attitudes, we used the Likert (1-5) scale. Reliability was verified using Cronbach's α coefficient.

Survey Results

The respondents were the persons responsible for promotion in their SMIE. For most of them, this is only one of the functions they play in a company. They are also engaged in the management and performance of the company as a whole. 75.4% of the respondents responsible for marketing stated that they are also managing directors, 49.4% of them are also responsible for the organization of the work process, 49.2% of them for sales, 47% for marketing as a whole, 46% for finances and 42% for purchase. On average, the importance of promotion for their company is evaluated with $M = 3.8$ ($S.O. = 0.9$) on a 1–5 scale.

Most of the respondents are not formally educated or would consider themselves as experts in marketing as they come from a completely different professional field (40.3%). 36.4% have a formal degree in economics or marketing. 36.2% of the respondents stated that they were enrolled in trainings in the field of marketing. 53.2% attend education and trainings in the field of marketing more than once a year.

When being asked about their future intents in the field of promotion, the biggest share of respondents stated, that they intend to deal more with promotion in the future (58.9 %). 33.2% of the respondents agreed that promotion is one of the most important business functions, that visual elements of the promotion are very important (47.4%) and that active work on the promotion can increase revenue (42.8%).

Only 34.7% of respondents thought that they have enough of marketing knowledge to ensure quality promotion and 28.6% agreed with the statement that they have enough financial resources in their company to ensure quality promotion. Only 18.4% of the respondents agree with the statement that promotion is not a meaningful activity for their company.

Certain demographic characteristic of the decision-makers, such as age or education determines the attitude of the decision-makers to the role and the importance of promotion in their enterprise. T-tests show that younger and more educated respondents have a more positive attitude towards various aspects of promotion activities.

Also, the size of the enterprise does matter when it comes to promotion activities. Respondents from companies that have between 20 and 50 employees ($M = 3.4$) agreed more with the statement that the company has sufficient financial resources to ensure quality promotion, compared to companies with fewer employees ($M = 2.7$) ($F = 5.795$, $\alpha = 0.003$). The respondents from companies with more than 20 employees ($M = 3.4$) agree more with the statement that they have suitable staff that can carry out the promotion of high quality, while the respondents from companies with 11 to 20 employees ($M = 2,7$) ($F = 3,339$, $\alpha = 0,037$) agree least with this statement.

In most of Slovenian SMIEs, there is no plan of promotion and activities are not planned ahead. 63.8% respondents stated that they do not plan ahead, they decide on the spot, given the current situation. 27.6% of the respondents plan half a year in advance, and only 7. 4% have a one-year plan of promotional activities in place. As planning presupposes setting goals, the respondents were asked what their goals were to be achieved by the promotional tools they used in the last year. 80.9% of the SMIEs use promotional tools with an aim to increase sales by acquiring new customers and 47.2% to increase sales to the already existing customers (47.2%). 46.9% would like to increase the visibility of the company/product/services or build a strong companies image/brand (43%). The respondents who replied that their SMIE has promotional goals set were asked to assess the importance of these goals (on a scale 1–5). The goal of increasing sales was assessed as the most important goal ($M=4.5$). Even though almost a half of the SMIEs mentioned building a strong image or a brand as a goal of their activities in the last year, this goal was perceived as less important ($M=3.7$).

T-test points to the conclusion that the size and the revenue of the enterprise affect the goal setting in the field of promotion. The goal of increasing sales by attracting new customers was more frequently selected by enterprises that employ 11 to 20 workers (85.7%) and to a lesser extent by those with more than 20 employees (62.1%) ($\chi^2 = 7.440$, $\alpha = 0.024$). The goal of building a strong company's image or a brand was mostly selected by companies which have more than 20 employees (62.1%) and to a much lesser extent by companies with up to 10 employees (39.8%) ($\chi^2 = 7.838$, $\alpha = 0.020$). Companies that had a

profitable year chose market share increase as a goal more often (41%) compared to those, which operated at a loss (29.0%). The relationship between the two variables is statistically significant ($\chi^2 = 4.601$, $\alpha = 0.032$). Similarly, presenting new or improved products/services was more often set as a goal by profitable enterprises (42.9%) compared to those that were operating at a loss (31.5%) ($\chi^2 = 4.742$, $\alpha = 0.029$).

The respondents were also asked to assess their financial investment in promotion in relation to the goals they set. 51% responded that they invest as much as it is needed and 47% thought that they invest too little. Only 2% thought that they invest too much. The size of the enterprise does matter when it comes to allocating finances for promotional activities. Respondents from companies that have between 20 and 50 employees ($M = 3.4$) agreed more with the statement that the company has sufficient financial resources to ensure quality promotion, compared to companies with less employees ($M = 2.7$) ($F = 5.795$, $\alpha = 0.003$). Respondents from companies with more than 20 employees ($M = 3.4$) agree more with the statement that they have suitable staff that can carry out the promotion of high quality, while the respondents from companies with 11 to 20 employed ($M = 2.7$) ($F = 3.339$, $\alpha = 0.037$) agree less with this statement.

33.3% of the respondents expect for the effects of promotional activities to be visible in less than a month and 33.9% expect results in more than one month to half a year. A slightly smaller share of the respondents expects results in a period of six months to one year (25.6%). The share of those who expect results in a period longer than a year is small (7.2%).

Among the most commonly used promotion tools that SMIEs used to attract new customers or to communicate with the already existing customers in the last year are their own websites (79.0%), personal presentations to potential customers (72.7%) as well as recommendations and acquaintances (71.0%). Common is also sending direct mail (43.4%) and rumor prevalence (40.4%). Among the least used tools are advertising on TV (6.3%), blogs (4.4%), press conferences (3.8%) and promoting via SMS (3.3%). The respondents were given a list of 25 promotional tools and were asked to choose the ones that they used in the last year. On average, they used $M = 6.6$ promotion tools. 45.9% of respondents chose 5 tools and 54.1% of them used 6 or more promotional tools in the last year.

When being asked to assess the effectiveness of promotional tools they used, personal presentations to potential customers ($M=4.4$),

recommendations and acquaintances (M=4.4) and rumor prevalence (M=4.2) were listed as most effective. Listed as effective tools were also organization of events (M=3.8), location and marking location (M=3.7), networking (M=3.7), own web page (M=3.6) and direct mail (M=3.5). Advertising on TV was assessed as quite effective (M=3.4) even though it has been used by only 6.3% of SMIEs in the last year. Advertising on TV was assessed as more effective in companies that had profit (M=4.1) compared to companies that made loss (M=3.1). The differences were statistically significant ($t = -2.184, \alpha = 0.041$).

When being specifically asked which online tools they use, the respondents mostly answered that they use their own website (85.4%), e-mailing (58.6%) and Facebook (46.8%). For all other options (Linkedin, forums, mobile apps, Twitter, blogs, other), they mostly responded that they do not use them and are not even thinking about using them. When assessing the effectiveness of the online tools they used for promotional purposes, their own website was assessed as most effective (M = 4.2) and followed by e-mailing (M = 3.4). As the least useful mobile applications (M = 2.4), blogging (M = 2.3), and Twitter (M = 2.1) were assessed. The average effectiveness of the online tools was M = 2.7 (a scale of 1–5).

Planning and Implementation of Promotion Practices in Successful Small and Micro Businesses

In order to get further insights and additional explanations on planning and implementation of promotion practices in Slovenian SMIEs, 17 semi-structured interviews with decision-makers in selected enterprises were conducted. Non-probability sampling technique was used to form a selective homogenous sample, so the research results from this study cannot be generalized, as this is usual in qualitative research. The sample was limited to small and micro companies (the number of employees is fewer than 50) that have been active in the market for at least 5 years and are the examples of good business practice as we wanted to learn the features of planning and implementation of promotion in SMIEs in “best business case scenarios in Slovenia” in order to estimate not just the average numerical values that we learned from the quantitative survey, but also to be able to see whether best practices of promotion SMIEs in Slovenia deviate or share certain characteristics with the way promotional practices in SMIEs in Slovenia are currently being realized. Interviewees were chosen from a list of nominees for Slovene Business Gazette 2014, which is a ranking of the fastest growing small and medium businesses.

Structured interviews were conducted in 2015 in 17 enterprises. 5 of them can be classified as small, 12 are micro enterprises. The interviewee was a person responsible for marketing or promotion. In most cases (14 respondents) this was the owner/the managing director. Only in 3 companies the respondent was a marketing manager. In order to obtain the most variegated results, companies from different geographical regions and industries were chosen. All of them are “major players” in their respective industries.

Interviewees were persons responsible for promotion in SMIEs. Only four of them had formal education tied to economy or promotion. Other interviewees obtained their degree in natural sciences or finished high school education, which is not related to either economy or marketing.

Most of the interviewees are torn between (all) of the company's work tasks and activities. They perceive such a situation as a normal way of organizing in the case of micro and small enterprises. Many also stressed, that it is crucial for small businesses that the managing director/the owner knows and masters all of the operating segments of the enterprise. All of the interviewees perceived promotional activities as vital to the overall prosperity of their company. If promotional activities are abandoned, this affects other activities of the company and business performance. Therefore, promotional activities are carried out continuously in order to develop and maintain a sustainable and trustworthy relationship with customers. Eleven of seventeen interviewees estimated that the current promotional arrangements meet the needs of their company. When being asked what kind of barriers they face when organizing promotion, the majority listed time constraints, a lack of knowledge, staff and finances.

When implementing promotion activities, all of them use, at least to a certain extent, the assistance of external experts. In most cases, they need help from photographers and designers to prepare leaflets, POS materials or corporate image. They also outsource programming for creating and updating of websites and in fewer cases also editing content on the website and social networks. They rarely use outside help in developing promotional strategies or planning promotion activities. Most of the interviewees expressed doubts about contributions an outside expert on marketing could make. They expressed confidence in their own skills (although, at the same time, they do recognize the lack of internal knowledge on marketing) and believe that this obstacle can be better managed by constant (self)education.

Planning Promotional Activities

Using quantitative methods, it was established that SMIEs generally do not plan promotional activities in advance (63.7% decide on the spot, given the current situation). Only 7.4% plan promotional activities 6 to 12 months in advance. Qualitative research showed that successful SMIEs are among the smaller share of respondents, as most of the interviewees stated that they create at least a rough plan for promotional activities for 6 to 12 months in advance. When being asked what exactly they plan for in the field of promotion, for the most part they plan in terms of financial allocation of resources throughout the year and the use of certain communication channels. None of the respondents mentioned any other substantive elements of the plan, such as communication objectives they would like to achieve or the definition of the planned activities by target groups and the like. When planning for promotion, even best SMIEs are mainly only focused on allocating the budget between the tools of promotion. The promotion activities are planned to a very small extent. Promotion activities or well-established promotional activities, that have been in use in previous years, are more likely to be planned for in more detail, as they have documented and evaluated the way they have been implemented in the past. Most often, such documentation contains the amount of funding intended for certain promotional activities. The amount of funding that successful SMIEs devote to promotion is being determined in two ways: 1) determining a certain percentage of total revenue; 2) real-time decision making, depending on the current needs and capabilities. All of the interviewees were explaining that the situation and the conditions on the market are continuously changing and, in order to maximize agility, annual plans of operation are subjects to ongoing corrections. As a result, promotional activities are implemented very spontaneously and continuously adapt to current ideas or requirements of a specific moment. As a consistent communication plan is missing, the SMIEs are also unable to facilitate the synergistic effects of using multiple, well-coordinated promotional tools.

The fact that the SMIEs mostly do not have comprehensive, formally written marketing plans can also be a hindering element in sharing information and knowledge within the organization. Some of the owners/the managing directors stated that they have the elements of the communication plan “in their head”. However, this can cause problems in transferring information to other employees who are also involved in broader aspects of the implementation of the promotion or subcontractors. One of the advantages of formally written plans, goals, tactics meant to attain goals and ways to evaluate them is the ability to involve more people in promotional processes, coming from both the

internal and external environment of the company (Arens, 2006; Stevens et al., 2013). In the absence of formally written documentation, most of promotional activities are coordinated according to real-time verbal agreement and the communication about their implementation lacks a wider context and is fragmented. If SMIEs do not have plans in the form of formal documentation, a greater efficiency and the integration of promotional activities is inhibited.

Setting Goals

Successful SMIEs are very similar to general population of SMIEs in subordinating promotional goals to sales targets. Promotion is mostly seen as a quick way to better sales results and promotional as well as broader marketing activities are mostly designed as tactics to attract new customers or to increase the volume of business and sales. Long-term positioning, building or consolidating the image is not a priority.

Setting goals in promotion depends on the familiarity with the use of certain promotional activity. Planning and outcomes of activities that have already been used or have been used for many years are well known. In such cases, objectives are easier to be defined. When new activities are being introduced, planning and setting goals is more intuitive and determined approximately. Interviewee 2 described this situation with the following words: "It is easy to set goals in case of the media we know. When we go to the fair, we know how much has been done in the past and set the sales goals at approximately similar level /.../ The more often a certain activity has been used, the more we know how it works, the more we can, based on our experience, set quality goals, that we wish for." Common are also the statements like: "We do not have a precise number. What happens, happens" (Interviewee 5) or "For promotion, unfortunately, we do not have precise goals set. We would like to do this, but this is again much work and one must take time for it" (Interviewee 6).

The decision-makers in successful SMIEs are trying their best when it comes to promotional activities, but often they themselves are not aware of various options of promoting or are not acquainted with possible further improvements of activities and tools they already use. They are very quickly satisfied already with the basic promotional options, even though there are still numerous possibilities for optimization of promotional mix.

Channels and Promotional Tools

When selecting promotional tools, the most listed criterion for selection was the degree to which effectiveness of promotion can be easily measured, which, in the eyes of the respondents, is directly related to sales and financial advantages. Most common promotional tools are the ones that give directly observable sales results, for instance personal selling, where “you can see clearly whether communication was successful or not” (Interviewee 7). When the owner/ the managing director devotes much of their time to promotion, their focus is mainly targeted at personal presentation to potential customers.

In many types of marketing communications, the effect is not immediately and directly visible and SMIEs are reluctant to use them. Such tools of promotion, where there is no direct, easily observable connection with sales, are neglected even in successful small and micro businesses. They do not trust them and do not devote much time to them. On the other hand, tools, where the effect is easily measured and quickly noticed, are trusted to a much greater extent (in addition to the already mentioned personal sales, AdWords were also highlighted as an example of a transparent tool of promotion, where advertising space is being paid per click which is perceived as an easily observable effect). Promotional tools that work in the long run or in conjunction with other elements are left aside.

Promotional tools that the decision-makers in successful SMIEs frequently used can be divided into three groups. The first group includes all promotional assets relating to the maintenance or strengthening of contacts/links between the SMIE and (potential)business customers, based on direct contact and personal communication, such as: personal presentations, recommendations, seminars, symposia, conferences, events, fairs, merchandising. Fairs are seen primarily as a means to keep in contact with end buyers or brokers and business partners. “The main channel for us is a personal contact with customers. That means attending fairs, even though this is a six thousand years old technology, very outdated, but for us fairs are still important, both in Slovenia and abroad” (Interviewee 2). Fairs are seen as a good way to network. “Every time I go, I meet some potential partners, which then recommend me to someone else” (Interviewee 5). Recommendation and personal presentations were among most commonly mentioned promotional tools used in the previous year. Personal presentation/sales have, according to interviewees, the following advantages: 1) if the customer buys the product they obtain immediate feedback on customers’ satisfaction; 2) it is possible to give immediate answers to the questions of potential buyers; 3) the

immediate perception of customer preferences can be perceived immediately; 4) information for further design development of the product can be obtained; 5) personalization of promotion.

The second groups consist of digital advertising media and includes promotional means like their own websites which are tailored to the needs of the company, brand or product, activities on social networks, lists of electronic client addresses and e-communication with them, Google AdWords etc. Interviewees noted that the use of promotional opportunities offered by the Internet is growing exponentially and the use of traditional means of advertising is in decline.

Many see the key purpose of digital advertising in maximizing the visibility of SMIEs on the Internet as “most people now are looking for information via the Internet” (Interviewee 6). Some respondents stated that online sales are a more “indirect” way of selling. They are trying to sell their products and services through writing and publishing tips, advice or stories. “We do not sell products only on web pages intended for promotion or sales /... / there are also covert web sites, where people come to Google because they have back pain. They get offered an advice and a free guide on how to get rid of back pain if they leave their e-mail address. This is how a database on people that have back pain compiles /... / If you write “your pain will stop” people will read the whole message, but if you write that you would like to sell something, they will ignore the message” (Interviewee 2). One of the reasons for the popularity of online promotion opportunities is also the low financial costs or as described respondent 11 “ /.../ these innovations – such as FB, LinkedIn and the like, do not cost a lot. The largest cost is your time”.

Even though the responded did acknowledge that management of online promotional activities offered by Digital Marketing are very complex and time-intensive, eleven interviewees manage online promotion completely on their own (except for programming their own websites). Only five of the respondents rely on assistance/advice of external experts/ suppliers or work with marketing agencies, particularly in the area of social networks.

The third group of promotional activities are “traditional forms of advertising” mainly referring to buying advertising space in traditional media (print media, TV, radio, bill boards). Most of the entrepreneurs interviewed are (increasingly) skeptical and distrusting towards these forms of promotions because: 1) it does not allow them to directly measure the effectiveness of promotions; 2) it is an excessive financial

burden; 3) it presents to them an inability to target very specific groups of consumers; 4) they are badly adjusted to contemporary promotion trends and (5) they perceive irresponsible attitude of traditional media to clients. Interviewee 2 describes the irresponsibility of traditional media in the following manner: "They say they have lots of readers /.../ wealthy readers. If you buy their advertising space, everybody will see you and the sales will grow etc. / ... / However, when after advertisement only three people respond and call, they do not assume any responsibility. They have excuses: maybe the timing was wrong, or our creativities were poor. Print media are by far the worst and therefore they are failing because they are not customized".

However, some interviewees did recognize the value of advertising in traditional media and linked them to promotional goals that are more long-termed and not just sales-oriented, like building a brand or certain image of the company or a product. Most interviewees generally stick to proven methods of promotion, which in the past proved to be effective, but they regularly try to upgrade them by constantly searching for new channels and opportunities. In doing so, they combine different tools to: 1) target different audiences and 2) search for and test new opportunities. Most of the respondents highlighted the continuity of change and the constant need to adapt to changing environment, which also applies to the field of promotion. Finding new ways of promoting was perceived as "an experiment, in which each year, carefully and with minimal financial inputs promotional novelties are tested" (Interviewee 6). Novelties usually refer to the use of modern technology and digital marketing, which allows for segregation of the key features of potential target groups and directly measure the effects of promotions to increase the sales of the company. However, a gap between thinking about possible online promotions and actual implementation was noticed as lack of time or knowledge are obstacles in implementing new promotional idea in SMIEs.

Discussion

We observed a very positive attitude as well as an intention of decision-makers in SMIEs in Slovenia to deal more with promotion as they see it as one of the most important business functions. However, positive attitude and behavioral intention (Ajzen, 2005; Ajzen and Fishbain, 1980) do not correspond to their planning and implementation behavior. It looks like the factors that hinder the performance of promotional activities (behavioral control) are strong. Most commonly cited factor in both quantitative and qualitative research was the lack of time, which in practice often means that managing director/the owner who performs most of the business functions in an SMIE, has difficulties in finding time

to reflect on and implement promotion. Lack of time is also connected to lack of staff, lack of knowledge in the field of promotion and financial resources. Despite acknowledgments of these barriers, a recruitment of additional persons who would deal only with this field is not seen as necessary (it is not even considered that such an investment could pay off), nor is outsourcing of enterprises promotion to outside experts on marketing. A belief that these obstacles can be overcome by constant (self) education as well as through learning by doing, is widely present. Successful small businesses are not exceptions in that respect.

The size of the enterprise proved to be statistically associated with financial resources and suitable staff to ensure quality promotion. In case of micro enterprises, a lack of available financial resources and staff is inherent in all aspects of business, not only for promotion. Small companies can provide certain funds and develop specialized knowledge on marketing, but the capacity of micro enterprises to do so is lower and promotional activities are dependent on awareness, knowledge, experience and time availability of the owner/the managing director. Despite strong positive attitudes toward the field of promotion and a rather strong conviction that they are capable and able to manage promotional activities well by themselves, they may not be aware of all the potential that promotion can offer. They feel self-sufficient, believe that they are doing their best and, therefore, rarely seek “out of the box” activities from a wide range of marketing activities.

Fifteen years ago, Gilmorjeva, Carson and Grant (2001) observed that the promotional activities of small businesses are more informal, unstructured, sales-oriented, spontaneous and short-termed. Based on our research results, we can confirm that even after all this time this has not changed significantly. Important obstacles to small business are also their limited impact on the market and relatively small budgets intended for marketing, which in turn makes it impossible to advertise in traditional mass media, as well as perform other activities related to high costs (implementation of research, evaluation ...), which “small” enterprises cannot afford, irrespective of how important they are.

Among the most important promotional tools of small and micro enterprises are personal presentations, recommendations and acquaintances and word-of-mouth advertising. Personal contact is perceived as a powerful tool by the decision-makers on marketing in SMIEs since it enables personalization of communication, instant adjustment of supply based on feedback and maintaining long-term relationships with customers. SMIEs can also benefit from the use of online tools. There is a trend of replacing expensive traditional media

with new, possibly cheaper online alternatives (Danaher and Dagger 2013; Taiminen and Karjaluoto, 2015). Our research results show that there is still plenty of room for improvements in the use of online options for purposes of promotion. SMIEs are aware of the increasing importance of digital channels, websites, various online materials, social networks, keywords leasing etc., that can also be financially more accessible to them (compared to more traditional tools like TV or radio advertising). By using them, goals like building a strong company image or brand, which was set as a promotional goal by almost half of SMIEs in our survey, but in practice is not consistently carried out, might be easier to attain. Flexibility in marketing planning and ability to react quickly to market changes can be an advantage, but the lack of integrated planning can deprive SMIEs of possible synergic effects of their activities and can cause difficulties in evaluating them. Additional obstacle in evaluation is the very nature of planning in SMIEs, which is less systematic and more intuitive. Market research, which in theory provides an essential platform for planning, setting goals, knowing target groups etc. and could inform planning process, is virtually absent in SMIEs. None of the respondents mentioned market research not even as potentially useful, if it was available or accessible to them. It is not only problematic that research is not carried out or bought. What was surprising is that such external information or data, which may lead to more accurate positioning, planning and implementing of promotional activities in not even being missed. If lacking objective indicators and information from the external environment of the enterprise, they can uncritically trust their own, subjective judgment and knowledge, which may differ from market reality. This situation also affects setting of goals. Promotion goals in SMIEs are most commonly sales-oriented and promotion plans rarely go beyond planning the budget for promotion and selection of specific promotional tools, which are often selected based on the already existing experiences or intuition but are rarely informed by solid marketing data or knowledge on promotion. As objectives of promotion primarily focus on sales result, they can be set too widely. As they are not sufficiently concrete and specific, they cannot serve as a good strategic direction of planning communication activities.

Rapid and real-time planning processes with unclear goals can lead to sloppy evaluation, especially if only the effect on sales activities is checked and the possible reasons for failure or success of specific communication tool are not sought at all. If measurable communication goals are not specifically and clearly defined, also the evaluation of strategies, tactics and tools used depends more on the intuition and subjective perceptions and not objective, data-based feedback.

Our research shows that there is a significant gap between marketing theory and actual promotional practice in SMIEs. In a small country like Slovenia, where small- and micro-enterprises represent 98.8% of Slovenian economy, this calls for reflection whether a bigger share of research and also educational efforts should be aimed at understanding, informing and facilitating promotion needs and practices of SMIEs. Particularities of SMIEs promotion style, that were addressed in this article, are calling for consideration whether applications of scientific theories and models can adapt to the level of simplicity required by small and micro enterprises.

The aim of this research was to obtain an overall picture on promotion in small and micro enterprises in Slovenia. As not all SMIEs practice the same kind of marketing (Reijonen, 2010) and given the fact that numerous differences in marketing activities exist between B2B and B2C oriented businesses, further exploring of these could provide additional explanations about the underlying factors affecting promotional activities in SMIEs.

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