ΕΡΓΑΣΙΑ ΤΗΣ ΚΑΘΗΓΗΤΡΙΑΣ ΜΑΡΚΕΤΙΝΓΚ Κας ΜΑΣΤΡΟΓΙΑΝΝΗ ΦΩΤΕΙΝΗΣ

Strategic marketing planning in small business

Management of SMEs (small – medium enterprises) - Introduction

One of the characteristics of SMEs is that they do not have enough capital to engage in promotional expenses. Furthermore, in order to survive in a competitive environment and gain a competitive advantage they need to have good relationships with their customers and develop a specific strategic marketing plan. (Cohen 1991). In this study, the role of strategic marketing in small enterprises is analysed. Furthermore, a primary research was done in small fashion/clothing companies since numerous small companies exist in the clothing industry. In addition, there is a lot of material for the fashion industry, although the number of researches done for the small companies in this industry are very limited.

Characteristics of a small enterprise

These enterprises normally employ fewer than 10 employees. They are often run by one person or a small group of two or three people who are usually members of a family. The director is, in fact, charged with many responsibilities and therefore, s/he cannot give all due to consideration. The general manager is the owner.

The company due to lack of resources cannot recruit or train its staff, especially in marketing.

Another characteristic is that because of their size their customer base is limited, and they have a small market share. Customers are very important for them and so if you lose a customer or the customer reduces its purchases, then they become very vulnerable. Many of these depend on one client, and thereby they lose their independence, or they depend on a single product or technology. As for marketing, many of these companies cannot apply the methods of the bigger ones because they have a strictly limited budget for marketing policy development.

Company strategy

A small firm in order to be able to respond to a changing environment should develop activities that will be maintained and updated continuously. These activities should be redefined with a diagnosis, programming and the necessary actions.

The process of diagnosis consists of collecting market information and the study of all the current trends so as the firm to understand customer needs and thus be able to meet them. It is, therefore, important the role of information.
The second stage of diagnosis is the discovery of the strong and weak elements of the business. So, the company can see what is really done well, focus on this and create a competitive advantage (Jinnett and Pinson 1993).

After the diagnosis comes the planning. The planning includes setting goals, strategy and an action plan.

The owner / manager must set both personal and long-term goals. In this context , s/he should define the target markets where the company wants to address (Jinnett and Pinson 1993). The choice of target markets requires a full understanding of the market and the strengths of the company to enable it to compete more effectively. It should define its options on what market segment responds to the trends better and in a more profitable (Easey 2001). The choice of a target market is an important element of the strategy and is particularly critical.

The third activity concerns the programme which is located between the design and operation and determines what the company should do to implement its strategy.
At this stage, the product is defined, the price (which should be based on knowledge of the market), the information on the product and the distribution channels.

Gathering market information

Without market information, it cannot be predicted whether a product will sell or not. The company must have information about the competition, trends and the lifestyle (if it is in the FMCG market) (Easey 2001). Thus, it can produce goods that are attractive both in terms of quality/style and price. This information is important for the promotion and distribution and is especially critical in the design of the product. The design is essentially a series of compromises on price, style, etc., driven by customer requirements.
The company may acquire information from internal and external as well as from published sources (Timm and Fare 1994).

The internal sources require a complete IT system from the company. In this system there are, the management accounts which show what products and which type of customers is profitable, These accounts should be monitored not only from the accounting side but mostly from the commercial side. The employees of the company are another source of information and the most important source of them are the salespeople who speak with customers. Incentives should be given to the staff to pass on information to the company. The salespeople apart the incentive, they should record in a specific report customer and market information.
The published information concern market- sectorial studies, government reports, lists and studies that make the various institutions, etc.

Finally, external sources, include on-site research, which is research done to customers who are asked for their needs. This consultation survey is usually done by the owner himself.

Competition and competitive advantage

The competition is quite intense. A company to cope with it must improve its production process and the quality of its products.
New technologies as mentioned above is one area where modern companies invest to compete. Therefore, employees at all levels and skills should be trained in these constantly.

Definition and Selection of Target – Market

The main stages of the strategy regarding the target market are: segmentation, targeting and positioning (Jinnett and Pinson 1993).
The segmentation concerns the cutting of the market into segments. These parts are determined by demographics, etc. psycho graphical criteria or any other criteria that the company believes that they match to the market where the company operates. The company selects the segments that will focus on. These courses are selected assuming the profitability, they can bring to the company, and they are based on the firm's ability to serve these segments.

A small business can serve several market segments because it has the resources, and therefore, it should focus its efforts on a specific market segment. This is called the principle of concentration, and it could be considered as the basis for the development of the company. The more the company grows the more resources and skills need and when it is ready then it can gain a significant presence.

There is a risk of concentration when the firm focuses on a very small market segment and becomes vulnerable to the decline of the market. The best and safest would have been the firm to cover two or three segments after having the skills of the company assessed skills of the company. Danger also exists when the company seeks to address to many market segments, because in this way loses its focus.

Strategy and Planning

A key stage in the strategy is to review at this stage the following question arises:” where are we now? ". The company should have a clear picture of the market segments it addresses and operates (Figstad 1995), what are their strengths and weaknesses as well as on what segments it may enter when it deems necessary.

The next stage is the targets. Here, the question is "Where are we going?” Probably the most important goal for a small business is the personal goals of the owner who must know the precise objectives because s/he is the one who judges, whether the company will expand or not.

Among these objectives are the financial goals where in them belong strategies of long-term growth can be integrated (where in this case, the company sacrifices short-term profit). Among these objectives are the sales targets per market segment who go along with the assessment that the sales targets will have in the financial liquidity of the company and thereby to achieve other objectives of the company. Therefore, the financial objectives should be characterized by flexibility, but of course the small business should always be within the limits of its borrowing and not leave them because in this case, the viability of the company is endangered.

The economic objectives should also be realistic and achievable.
The next step is the marketing strategy and includes the question "how to get there?". The marketing strategy shows the way of adjustment of the business in order to achieve the objectives set.

The company should use all the marketing tools to meet customer needs and to design the right offer. Obviously, if the firm is addressed in several market segments, it should implement a separate marketing strategy for each of them. Depending on customer needs, the product offering will differ regarding the value, the methods of promotion, etc. (Levinson 1989).

More specifically, regarding the product, factors such as the materials, specifications, quality, packaging, and after-sales service should be seriously taken under consideration (Hines and Bruce 2006). Regarding the price, the company should create detailed prices for each product, determine the conditions and methods of payment (e.g. credit card payment), the structure and timing of offers and discounts. The promotion should study and plan aspects like advertising, brochures, gifts, personal selling, public relations and participation in exhibitions.

Finally, regarding the distribution, the following should be selected: the appropriate retailers and their respective wholesalers, the way of making orders

through the telephone order, the methods of distribution and the frequency of delivery.
The strategy and marketing programme should not be confused.

The marketing programme refers to actions taken to implement the strategy, and it answers the question «how we make it happen" which constitutes the fourth stage of the process. The manager / owner should take into account the 4P of marketing (Product, Price, Place and Promotion) and to think how to implement the strategy decided. A key is to offer a product that will offer unique benefits to the customer e.g. original design (Hines and Bruce 2006). After all, the customer buys only one product but the product that meets the customer's needs and requirements.

The product

Each product can have a specification that can be customized according to customer specifications. Other variables that can be adjusted according to the customer requirements are the quality, packaging and the level of service after sales e.g. the customer can return the product (Easey 2001). Therefore, the product is a sum of variable factors that anyone can change and that each one is adapted to customer needs.
The design is the factor that adjusts the different variables of the product in order to meet these needs. It has to do with the new products but mainly to changes / improvements to existing products.

The design requires some basic elements. Among these elements are the technical or artistic ability that can turn the customer needs and turn them into a product (Easey 2001).
The other element is the technical plan that is how the ideas can be turned into practical products and the marketing ability that is how the company can identify the needs of the customer. These skills are rarely found in the same person, they are usually represented by different people. The main issue is that they should converge and form the so-called triangle design. Marketing obtains all necessary information and feeds with this information the creative design, which must also reciprocate in marketing information and updates about the options, costs and the time scale of each option. Then plans are converted into products

that can be manufactured economically and this requires close cooperation and liaison between design and production technology. Production must also be associated with marketing to ensure that the product meet the original specifications, its production is at the right cost and its delivery is done on the correct date (Jackson and Shaw 2005).

Another factor which must be examined regarding the product is to examine at what stage of the product life cycle the product is. It is known that 90% of new products fail and those who survive in the beginning eventually die because they become obsolete.

The company must develop new products, but these require high investment costs which are bigger than the sales of the products at the first stage. The company should not expect to make quickly profit from new products.
The products of today are what we call mature products. These products provide profit and the promotion expenses aim to promote the product in such a way to stay competitive.

Finally, there are the declining products which have decreasing sales. However, with the right handling, a decadent product can be very profitable. When a product is recognized as decadent then the promotion expenses stop immediately as well as any other development process. If some customers are based on the product than its price may be increased. Therefore, with spending cuts and higher prices the profitability of the product is increases and cash is released that can be used elsewhere. This money can be reinvested in other products.

The ability to manage a declining product has to do, on the one hand, with the immediate detection of the decline and on the other hand, for the company to have a product that is growing and thus replace the old.

Branding

The significance of the brand name is very important (Hines and Bruce 2006). Generally, brand name is part of the purchasing behaviour of humans. People do not buy only based on functional, but they buy also on emotional criteria. A product can be assessed by the emotional side, especially when it affects the personal appearance of the individual. Successful brand names are based on the logic, but rely on emotion.

The nature of the brand name has to do with understanding the motivation of people about what is what motivates them to buy. The brand name is not established only by advertising, but needs to have a first class product in the sense of reliability and design or anything else the company claims for the product. Everything that comes together with the product such as packaging, labels, etc. should be representative of the promise of the company for the product. Generally, the remaining Ps (price, place, promotion) should support the brand. Items like clothes that are available through retail outlets, it is imperative in this case the image of the shop to match the image of the brand (Diamond 2005).

The creation of an image is in direct correlation with the type of customer to whom the product is addressed to and the image should create positive connections and to appeal to the kind of identity with which the client feels comfortable. The image must be clear and not change over time because otherwise it would create confusion.
Creating a brand is a long process and requires constant investment. It is a matter of great strategic importance and therefore, the owner is directly involved.