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Marketing in SMEs: A ‘4Ps’ self-branding model

By

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Abstract

Purpose: To explore the extent to which traditional marketing theory and practice can be applied in SMEs and consider how owner-managers perceive their own role in marketing within a small business setting.

Methodology: A qualitative, exploratory, approach using semi-structured in-depth interviews amongst 20 owner-managers of SMEs in the UK.

Findings: SME marketing is effective in that it embraces some relevant concepts of traditional marketing, tailors activities to match its customers, and adds its own unique attribute of self-branding as bestowed by the SME owner-manager.

Research limitations: The study was limited to the UK and to a small sample of SMEs and as such the findings are not necessarily generalizable.

Originality/Value. A ‘4Ps’ model for SME self-branding is proposed, which encompasses the attributes of personal branding, (co)production, perseverance and practice.

Key Words: Marketing, owner-manager, self-branding, SMEs,

Paper Type: Research

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Introduction
Small and medium sized enterprises (SMEs) are a vital part of the local and world economy and research suggests that marketing within SMEs is an important business activity (Walsh and Lipinsksi, 2009; Deakins and Freelo, 2009) but there is a need for further research to identify what marketing means (McCartan-Quinn and Carson, 2003) and how it is practised (Fillis, 2007; Blankson and Stokes, 2002). The UK Government and the Department for Business, Innovation and Skills (BIS) has recognised that the SME sector has the potential to make a significant impact on economic growth; the sector currently accounts for 99% of all UK private enterprises, 59.1% of private sector employment and 48.7% of private sector turnover (BIS, 2013; House of Commons, 2012) and marketing has an important role to play within the sector. However, studies suggest that established academic definitions of marketing are not always useful for SMEs (Gamble et al., 2011; McCartan-Quinn and Carson, 2003) as mainstream marketing theories (for example, Jobber, 2009; Kotler et al., 2008; Brassington and Pettitt, 2007) focus on aspects such as planning, marketing research, advertising and the implementation of the marketing mix, which are more typically designed for large organisations where financial resources and marketing expertise are readily available (Hulbert et al., 2013). The transfer of large organisation marketing models to SMEs has been criticised (for example, Gamble, et al., 2011; Gilmore et al., 2001) as SMEs have their own unique characteristics and context and their marketing activities are often restricted by limited resources and lack of marketing expertise (Reijonen, 2010). The owner-managers themselves may be obstacles to marketing since a review of the wider literature reveals that owner-managers of SMEs often pose major difficulties to strategic implementation in which marketing can play an important part (Reijonen, 2008; Ramsey et al., 2003) as the level of engagement an owner-manager has with marketing often determines whether the business will implement any kind of marketing strategy (Dobbs and Hamilton, 2007). It is also acknowledged that the marketing activity of the firm is “influenced by the personality of the owner-manager” (Gamble et al; 2011, p. 238) and that the personality of the SME is connected to the owner-manager (Deacon, 2002 in Morrish, et al., 2010).

Aims and Objectives
The literature suggests that within the SME sector, marketing practice and the owner-manager appear to be irrevocably linked and the aim of this study is to explore the extent to which traditional marketing theory and practice can be applied in SMEs and consider how owner-managers perceive their own role in marketing within a small business setting.

The objectives are to
-Identify the role and relevance of marketing theory within SMEs.
-Generate new insights into the role which owners-managers can adopt in the marketing of small businesses.

Literature Review
Characteristics of SMEs
It is generally believed that SMEs do not behave in the same way as large organisations (Fillis, 2007; Culkin and Smith, 2000) particularly in relation to responding to the dynamic business environment (O’Dwyer et al., 2009; Hill, 2001a), experiencing resource constraints (Walsh and Lipinsksi, 2009), how the organisation is structured (Culkin and Smith, 2000) and management style adopted (Boohene et al., 2008). The fundamental difference however is that the presence of the owner-managers are apparent in the business as they are responsible for both the ownership and managerial functions (Omerzel and Antončič, 2008; Dobbs and Hamilton, 2007). Decision making is a SME owners-managers’ responsibility (Walsh and
Lipinski, 2009; Culkin and Smith, 2000) and their visions are often embedded into the organisational characteristics and business operations (Becherer et al., 2001). However, the small firms setting is relatively simple and less rigid (Hill, 2001a) and so the management culture of SMEs is more creative (Carson, 2003), innovative (Lin, 1998) and entrepreneurial (Day et al., 1998) than large organisations. The business environment of an SME is also more flexible (Deakins and Freel, 2009), adaptive and change orientated (Carson, 2003), focused on problem-solving and action orientated (Thorpe et al., 2006). The characteristics of SMEs are often derived from the owners-managers’ management style (O’Dwyer et al., 2009; Carson, 2003) and their personality and traits (McCarthy, 2003; Culkin and Smith, 2000). Owner-managers are risk takers (Deakins and Freel, 2009; Delmar, 2009; Hill, 2001b) opportunistic, visionary (Thomas et al., 2013; Carson, 2003) and proactive (Day et al., 1998). They develop contacts and engage in networking as a means of promoting their business (Harris et al., 2012; Gilmore et al., 2006) particularly on a local basis using networking channels such as the Chamber of Commerce and other relevant business groups (Dimitriadis et al., 2005; Sweeney, 1996). This type of close relationship, which is often shaped and moulded by their relationships with their customers, is one that cannot be replicated by large organisations (Harrigan, et al., 2011; Stokes, 2000). SME owner-managers also focus upon the firm’s wellbeing, tend to be highly motivated in setting individual goals and in achieving business growth (Andersson and Tell, 2009). Delmar (2009) suggests that SME owner-managers like to have an internal locus of control, which provides them with self-confidence and ensures that they have direct control of their own destiny. Although owner-managers also define business success in different ways in that they may choose earning enough to have a manageable business rather than create a large company, be wealthy and lose control (Simpson et al., 2012; Reijonen, 2008), business growth remains an important requisite with sales and marketing identified as being the biggest problem they faced (Nwankwo and Gbadamosi, 2011). In addition, SME owner-managers have individual management styles and in the absence of a marketing plan they can find themselves using ‘self-marketing’ of themselves as a means of promoting their businesses. Self-marketing can be defined as “varied activities undertaken by individuals to make themselves known in the marketplace” (Shepherd, 2005, p. 590) which is also closely linked to the concept of self-promotion or self-branding (Ward and Yates, 2013). The wider literature on branding suggests it is crucial to business growth yet SME branding research has not received the same attention as service or product branding (Horan, et al., 2011). Perhaps the lack of consensus on a definition of branding may have contributed to this research gap although it is argued that a key principle of branding is to be unique from competitors (Mitchell, et al., 2012) and research that has been undertaken on SME branding suggests that if a small firm is willing to invest in brand development, customer acquisition costs may fall and profits can rise (Calabro, 2005). Other research includes the ‘Funnel’ model (Krake, 2005) devised for the role of management in SMEs and which included a number of internal management factors of which a key one was the importance of the owner/manager in determining the level of branding activity. Additional research has established that the owner-manager influences branding through their knowledge, business style and personal networks (Mitchell, et al., 2012), that a brand within a small firm is based upon the owner’s beliefs and assumptions (Ojasalo, 2008) and that the owner often personifies the brand (Horan et al., 2011).

The concept of people as brands can be summed up by Peters (2007), “we are CEOs of our own companies: Me Inc. To be in business today, our most important job is to be the head marketer for the brand called You”. This concept of personal or self-branding is defined as creating an “identity that associates certain perceptions and feelings” and entails managing and influencing the perception of you by others, which has positive benefits (Rampersad,
There is a relationship between self-promotion and organisational success that can help the individual being viewed as “effective, well-connected, powerful, knowledgeable and up to date” (Ward and Yates, 2013, p.101). Effective self-promotion also influences strategic visibility, which if applied consistently, will create an effective and powerful brand (Hernez-Broome et al., 2007) and these ideas underpin the notion that SME owner-managers should represent their organisations and become their own ‘brand’ champions. This is of particular importance in start-ups when the ‘brand’ will be personified by the owner-manager as front man of the business (Juntunen, 2012). The SME owner-manager self-branding concept is aligned to the wider topic of entrepreneurship, the notion of the SME owner being an entrepreneur and the impact of the “entrepreneurial personality on SME branding” (Horan et al., 2011, p.114).

There has been much debate around what is meant by entrepreneurship and what it takes to become an entrepreneur (Ramoglou, 2011) with suggestions that “entrepreneurs are different from other persons with respect to certain traits” (Baron, 1998, p.26). More recent research has tried to dig beneath this broad description to analyse what happens when entrepreneurs act, the idea of the entrepreneur as an individual with their personality traits, and the characteristics of how the entrepreneur achieves his/her aims and objectives (Stevenson and Jarillo, 1990). The literature around entrepreneurship is wide ranging; a broad definition is association with innovation, high profit margins and the ability of owner-managers to spot an opportunity focused on innovation and a dynamic process (Mortazavi and Bahrami, 2012). Another definition is that entrepreneurship is a mind-set described as a “spirit, an orientation” (Hills and Hultman, 2013, p. 438) but there is also a suggestion that there is no clear cut definition of the ‘entrepreneur’ and it is dependent on the definition of the term (Unay and Zehir, 2012). The debate around this point extends further to the notion of entrepreneurial marketing, reflecting the idea of the marketing-entrepreneurship interface (Hultman and Hills, 2011; Miles et al., 2011) and it may be useful at this juncture to examine what marketing is and how it can be applied to the SME context.

Marketing Theory
Marketing textbook definitions of marketing such as: “a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others” (Kotler et al., 2008, p. 6) may not necessarily apply to SMEs due to their unique characteristics. Indeed, marketing literature has emphasised a need to develop and refine the attributes of current marketing models to profile the marketing practices in small firms (Moriarty et al., 2008). To date, marketing theories and concepts have been largely exemplified by large organisations and it could be argued that these conventional marketing definitions, theories and models, which are developed based on studies of large organisations may not apply to the context of small firms (Stokes and Wilson, 2010; Moriarty et al., 2008). Due to the unique characteristics and constraints of SMEs, including the inherent characteristics of SME owner-managers, the dynamic business environment and the lack of resources within SMEs (O’Dwyer et al., 2009; Hill and Wright, 2001; Chaston, 1997) marketing within SMEs will almost certainly be context specific and market driven (Gamble, et al., 2011) and marketing approaches adopted by large organisations cannot be easily applied (Reijonen, 2010). Marketing theories drawn from conventional textbooks (Kotler et al., 2008; Jobber 2009) focus on marketing activities such as planning, marketing research, strategy and the implementation of the marketing mix such as the 4Ps (price, place, product, promotion) the attributes of which are for the most part appropriate only for large organisations and which require both skills and financial resources. It is believed that marketing is practised by small firms, although the degree of activities
varies according to the nature of the industry and degree of competition (Simpson et al., 2006). In addition, although there are claims that marketing activities are important to the performance of SMEs there is limited data to suggest these are linked (Nwankwo and Gbadamosi, 2011). Blankson et al., (2006) point out that small firms do not practise textbook marketing because of their distinct marketing style and Gilmore et al., (2001) claim that the marketing characteristics of SMEs are different from the conventional organisational settings of marketing textbooks. One type of marketing traditionally used by SMEs has been ‘Word of Mouth’ marketing as this involved direct customer contact (Stokes and Nelson, 2013) but this type of contact is moving away from physical person to person communication and being replaced by ‘Word of Mouse’ and social media. Early research on adoption of social media by SMEs in the USA suggests it can help develop engagement with customers on a personal basis and reach potential new customers (Stokes and Nelson, 2013). Although ‘Word of Mouse’ has yet to be embedded in UK SME marketing practice, a critical factor for small businesses is their ability to market themselves efficiently and cost effectively and social media could provide one means to achieve this objective (Schaupp and Belanger, 2014).

The American Marketing Association (2007) definition of marketing (Hills et al., 2008), in particular that “marketing is a set of processes for managing customer relationships to benefit the organisation and its stakeholders” appears to allow for different ways of marketing within different organisational contexts and thus moves closer to one of the core activities of SMEs, that of networking and customer focus, but the debate around the relevance of marketing theory to the small business context extends when the concept of entrepreneurial marketing is added to the mix. Hills and Hultman, (2006, in Hills and Hultman, 2013) categorised research in the marketing/entrepreneurship interface into four areas; SME marketing, early stage marketing/entrepreneurship, entrepreneurial marketing and an overall theoretical domicile for specific marketing techniques. Small business marketing is defined within this categorisation as the type of marketing found in small and/or new organisations where marketing actions are controlled by the owner-manager and marketing is seen as a part-time activity. Criticism of this approach is that it can be very basic but there is an argument to say that it is “customer-centric, interactive and effective” (Hills and Hultman, 2013. p.438). In contrast, entrepreneurial marketing has been defined as “the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation” (Morris et al; 2002, p.5 in Morrish et al., 2010). Additional research by Hills et al., (2008, p.107) add to this a “zeal for marketing” and it appears that language plays a part in that SMEs may use different language systems when defining marketing and entrepreneurship (Lam and Harker, 2015; Deacon and Harris, 2011). The Charleston Report (Hansen and Eggers, 2010, p. 44) defined four perspectives of the marketing/entrepreneurship interface; commonalities between both disciplines; entrepreneurship issues viewed through a marketing lens; marketing issues framed in the field of entrepreneurship, and concepts that are distinct to the interface of both. This work laid a useful foundation for the growing number of studies that involved both disciplines (Lam and Harker, 2015), supporting the view that SMEs are both customer and entrepreneur centric (Morrish, et al., 2010) but equally there is a view that marketing and entrepreneurship have progressed within their own disciplines with little “cross-disciplinary fertilization” (Webb et al., 2011, p. 537) and “research on marketing and entrepreneurship remains fragmentary and lacks conceptual integration” (Lam and Harker, 2015).

The literature throws up a number of different approaches to marketing in a small business context. While there is evidence to suggest that entrepreneurial marketing and small business marketing remain differently focused, utilising distinct business mind-sets and approaches,
there is agreement that traditional marketing approaches and activities cannot be easily applied to the small firm setting and a recognition that the personality of the owner-manager is key to any marketing implementation and intrinsic to the branding of the SME. This study therefore explores the extent to which traditional marketing theory and practice can be applied in SMEs and consider how owner-managers perceive their own role in marketing within a small business setting.

**Research Methods**

The study used a qualitative, exploratory approach as this places emphasis on examining participant interpretations and takes account of the research context (Bryman, 2008; O'Donnell and Cummins, 1999). Qualitative research enables the researcher to gain a detailed understanding of the complex phenomena to be investigated in order to build theory (Webbe and Lambe, 2007) and is often regarded as more effective when researching marketing phenomena within SMEs (Hill, 2001b; Hill and Wright, 2001) as it offers opportunities to listen to the participants and allow engagement in a dialogue.

The research method adopted was semi-structured interviews with twenty owner-managers of SMEs based in the East Midlands and North West regions of the UK. The East Midlands has 325,000 enterprises and this number grew by 6% from 2011 to 2012 making it the eighth largest region for small business enterprise. Turnover of East Midlands SMEs in 2012 was £184 billion; 95% of these SMEs were micro businesses typically employing less than 9 employees. The North West has 432,000 enterprises and although this number declined in the last year, it remains the seventh largest UK region for SMEs with a turnover in 2012 of £248 billion and with again 95% of its SMEs classed as micro businesses (BIS, 2013). Participants were selected for interviews using purposive sampling in that they fitted the criteria of being the owner-manager of an independent SME (O’Dwyer et al., 2009) and that they could provide insights into the phenomenon being researched. The final sample resulted in twenty interviews comprised of a diverse informant group across a range of different small businesses. Table 1 provides brief details of the participants.

All interviews were undertaken in person by two members of the research team and at the business premises, which allowed for a brief observation of the company. The in-depth semi-structured interviews lasted from 45 to 90 minutes and commenced with questions around the demographics of the owner-manager (Table 1), business performance indicators and the nature of the business. Further topic discussions followed around how marketing is defined, what marketing activities are undertaken, how is marketing organised, the barriers to marketing and the role marketing plays in the success of the business. These themes were drawn from current literature on marketing in SMEs (Reijonen, 2010; O’Dwyer, et al., 2009) and were deemed to be core to an exploration of the role of marketing within the SME context. All questions were posed in a way which allowed for spontaneous discussion and additional commentary and much of the participant narrative was questioned in further detail to unearth deeper meaning and definition. The interviews were recorded and transcribed with transcripts amounting to 260 pages of text. An inductive approach to analysis and theory construction was adopted in that the text was analysed in an iterative way to identify patterns and themes and followed the recommendations of Miles and Huberman (1994) and Bryman (2008) for thematic analysis. Research team members read the transcripts several times and segmented the text into sections relating to the questions. In depth examination of the sections then followed to generate line by line coding and then categories. As the number of categories built up, cross referencing was used to merge similar categories for all sets of participants and was
then revised with the ultimate aim to reduce the number of categories. Emerging themes and interpretations were discussed to ensure researcher triangulation. This process was iterative.

The study was limited to the UK and to a small illustrative sample of SMEs and as such the findings are not necessarily generalizable. The sample of SMEs could be classed as small businesses in that the number of employees was generally less than 50 with medium sized companies underrepresented in the sample. However, within the UK business sector, the majority of SMEs can be classed as micro businesses and as such the sample was similar to the wider UK SME sector.

Findings
Data gathered from the sample of 20 SMEs (see Table 1) indicated that the companies had been established for an average of 12.5 years ranging from a start-up SME operating for less than 2 years to a mature business in operation for 48 years. The average number of people employed was 18 and the average annual turnover of the companies was £1.5 million classifying the sample as that of small SMEs. The companies operated on either a regional, national or small international basis with 6 SMEs classifying themselves as goods based and 14 services based businesses. The gender ratio of the sample was 11:9 male/female and the average age category 45-54 years. The interviews were analysed and four categories emerged from the analysis:

- **Personal branding**: The owner-manager personifies the business through his/her personality, unique skills and customer relations.
- **Perseverance**: Long-term customer relationships are built-up and maintained, often for many years.
- **Practice**: The focus is on the execution of tasks rather than planning marketing activities.
- **(Co) Production**: Services and goods are produced to customer specifications from close collaboration with the customer.

These four elements of SMEs marketing activities are discussed in greater detail later (see also Table 2) but the analysis reinforces to a large extent the current problems of SMEs and their relationship with marketing.

**Owner-Managers’ Perceptions of Marketing**
There were no formal marketing responsibilities delegated to a manager or separate marketing department within the sample of SMEs. Marketing was intrinsic to the owner-manager’s decision making process and all marketing activities were owned, instigated and undertaken by the owner-manager. In addition, marketing activities were integrated into the business rather than perceived as having a defined role. In this context, marketing became part time and day to day customer interactions rather than a set of pre-planned techniques.

“We don’t do a lot of classic marketing activities. It’s more around how we deliver things on a day to day basis.” (Owner-manager of a food components company)

“We don’t plan (marketing)...we don’t do anything in a formal way.” (Owner-manager of a crafts company)

Traditional marketing tools such as press or TV advertising and PR were not used due to a perception that it was both expensive and unnecessary nor was it personal to themselves as business owners.
“It’s easier to get these things done in [house] because you know exactly how to write them. So we don’t employ any professionals to write up the stuff because they charge a lot of money and we end up telling them what to do anyway.” (Owner-manager of a web design company)

Advertising and other traditional communication mediums were also perceived as not providing value for money, were too glossy, too aggressive and insincere and, for some SMEs, an activity they did not wish to be associated with.

“I think people are cynical towards external companies if you go too much on glossy folders...spending money on the image and not on the care.” (Owner-manager of a domiciliary care company)

SMEs owners were unsure whether marketing was worth the effort in terms of time or expenditure and there also emerged a sense that overt marketing was somehow lacking in honesty and integrity and missing the personal touch of the owner-manager. Eighteen of the twenty SMEs had websites but there were differing levels of engagement with many owner-managers not monitoring the website activities. Word of Mouth referrals emerged as the most important marketing activity followed by the building of long term relationships with customers. Fostering long standing relationships provided the opportunity for the SME owner-managers to work in close collaboration with their customers on new product or process developments and this customer engagement and collaboration was articulated as a key marketing activity. There was limited organisation of marketing as a function or as planned activities and for the most part, it was opportunistic in nature. ‘Intuition’ was often used to describe why activities occurred; the mulling over a problem or business issue was seen as marketing and planning emerged as a reliance on the owner’s intuition, inclination and time.

Barriers to marketing were seen as the usual constraints on resources of money, time and expertise.

“Money...money is always the issue...even a profitable business can be killed by [poor] cash flow.” (Owner-manager of a systems and development company)

“I am an electrician...we have no expertise in marketing and time is the main constraint.” (Owner-manager of an electrical installation company)

Initially, the idea that SME marketing had no clear definition in the academic literature and the fact that owner-managers were unable to define the term ‘marketing’ in terms of their own business led to an analysis of what owner-managers said they actually did. In the interviews, the term ‘marketing’ emerged as a continuum of activities ranging from ‘nothing’ to the whole business process but there was a recurring dialogue around engagement with the customer, the generation of positive word of mouth and networking.

“It’s actively engaged in networking and pushing for business that way.” (Owner-manager of a glassware company)

“[The] majority of our business comes from client referral...so word of mouth, which is the best form of marketing.” (Owner-manager of an insurance company)

These themes are well documented in the literature (Gilmore et al., 2001; Stokes, 2000) and underpin a fundamental marketing theory around the focus on customer needs and customer orientation. However, an additional theme was that the owner defined him or herself as ‘the marketing’ in that marketing was defined both explicitly and implicitly as the personification
of the owner-manager and his/her role in the business interface with the customer, which resonates with the concept of personal branding (Shepherd, 2005; Ward and Yates, 2013).

**Personal Branding**

When asked to define marketing within their business, owner-manager’s articulated responses were contextualised around themselves in that they adopted a personal, self-reflective perspective of the business (Mitchell, et al., 2012). This personal vision of themselves and the business as one entity was expressed in differing ways. Firstly, for some owners, it was perceived as a control mechanism, which went beyond leadership and into the realms of tight, ‘hands on’ personal and possessive ownership.

> “Well, (the business), it’s mostly mine. How is it planned? It’s just me organising it of course.” (Owner-manager of a beauty salon company)

> “Marketing to me is the plan I put together on how I want to increase elements of my business.” (Owner-manager of a marketing consultancy company)

The second way in which the owner-manager perceived his ‘personal brand’ as being the lifeblood of marketing for the SME was through an interdependency of the owner and the company in terms of skills-set and the ability to conduct business.

> “The biggest issue is how we roll out as there is not a ‘me’ in every region.” (Owner-manager of a domiciliary care company)

> “I couldn’t control him [the US manager] well enough from here...that’s the problem with opening another office.” (Owner-manager of a systems development company)

Finally, marketing within an SME was expressed as solely reliant on the owner-manager unique presence and position.

> “I am the marketing.” (Owner-manager of a domiciliary care company)

> “…it’s just really about communication of what I do.” (Owner-manager of a crafts company)

This perception of the owner as the ‘brand’ presented problems when the SMEs experienced growth as they were not able to easily contemplate delegation (Gilmore, et al., 2006).

Shepherd (2005) suggests that the personal branding process follows the same process as product or corporate branding but it is not clear if this process is followed by the SME owner-managers as a conscious or deliberate strategy or if it simply emerges as an ‘experienced’ way of absorbing what they do, telling customers (or indeed everyone they meet) what they do and how this is recognised and reinforced by their customers in day-to-day interactions. This area of SMEs owner-managers personal branding process requires further investigation. According to Shepherd (2005) there are a number of issues and problems associated with personal branding not least of which, is the idea of similarities to personal selling. Shepherd also points out the theoretical problem of how and if formal marketing can broaden out to cover this area at all. We suggest that in the context of SMEs this theoretical issue is further exacerbated because marketing in SMEs is not well understood, has been problematic for some considerable time and resisted many efforts to fully understand what it is that SMEs actually do to ‘market’ themselves (Simpson et al., 2006). Shepherd’s (2005) view that there may be some brand conflict between the individual and the organisation or that the brand is not you or the company but customers perceptions of you and the company seems less likely
to occur in the context of SMEs because the company and the owner-manager are essentially the same (Deacon, 2002) although more research is required to explore these issues. However, a greater challenge for SMEs owner-managers is visibility and getting recognised in the marketplace in the highly competitive ‘attention economy’ (Shepherd, 2005). The solution here appears to be perseverance.

**Perseverance**

This theme emerged by looking at the interviews and it was obvious that networking over a long period of time was essential for many SMEs in the sample to survive and grow (Gilmore et al., 2006; Harris et al., 2012).

“Our business is off repeat orders, people we know and have been dealing with for years” (Owner-manager of an electrical parts and design company)

Also, long-term relationships with customers and suppliers were essential to maintain so this perseverance was necessary to ensure that the business had a regular flow of new customers and clients (mostly via personal recommendation) and repeat business from satisfied customers that would enable the business to continue to operate.

“Existing customers, we don’t have any problems with at all; they never move.”

(Owner-manager of a systems development company)

Without any formal marketing planning, the pressure on owner-managers to constantly be ‘the marketing’ for the business meant that owner-managers had to work hard to maintain the reputation of the business. It could not be left to a marketing department or a consultant due to lack of resources and many owner-managers would not have liked to do this. Thus, the owner-manager ‘became the marketing’ and constantly strived to obtain new customers and clients while maintaining existing relationships for long periods of time. It is arguable that without this perseverance many small businesses could fail.

**Practice**

The practice of ‘marketing’ in these SMEs is, as seen in the interview quotes, not traditional or big business marketing and the owner-manager applies little or no marketing theory to their business situation. Of the marketing theory that is applied very few owner-managers had a full knowledge of that theory (Guido et al., 2011). Thus, the practice of SMEs owner-managers in marketing their business is focused on day-to-day tasks, which largely engage with customers in solving their problems.

“We speak to electricity companies, we speak to the manufacturer. We understand what the electricity companies actually want in a product.” (Owner-manager of an electrical parts and design company)

It is heavily customer-focused and more akin to a personal service where new products and processes are being developed. Planning is not understood in the traditional marketing planning sense but emerges from the own-managers’ interactions with customers and the outside world.

“I just get on with it and evaluate from customer workshops around what works.”

(Owner-manager of a crafts company)

Thus, the focus is on the day-to-day execution of some limited marketing tasks rather than the execution of a comprehensive marketing plan (Thomas et al., 2013).
(Co)Production
Services and goods are (co)produced by SMEs to customer specifications often with detailed and in-depth consultation with the customers and clients. This approach fits well with the ideas of personal branding/personal marketing, perseverance and practice outlined above in that there is a strong relationship between the SME owner-manager and their customers (and suppliers). They are ‘partners’ in the (co)production of the product or service with both parties contributing to achieving the goal set by the customer (or one of their customers further up the supply chain).

“...it’s like an ongoing dialogue with customers about how their business is changing and what they want from the system.” (Owner-manager of a systems development company)

“I have been talking to customers about collaborating on some projects so they will get the benefit from our new technology.” (Owner-manager of a data processing company)

This joint or co-production is often discussed in the area of supply chain management where a large original equipment manufacturer (OEM) has a number of SMEs supplying specific products which may have been jointly designed or developed by the SMEs and the OEM. Thus, the SMEs owner-manager brings a certain expertise or process (or some other special attribute or skill), which is desired by the customer and the customer brings potential challenges, which they are unable to solve themselves and the two organisations work jointly to (co)produce the product or service. This is often associated with ‘make or buy’ decisions for the larger company. In the case of SMEs, they are often supplying other SMEs and both organisations have significant resource constraints and so in order to (co)produce the product or service the SMEs are brought into close contact to solve the problems for mutual benefit (Kenis, et al., 2009). (Co) production can also have problems if the two parties fail to develop a good working relationship (Johnsen and Johnsen, 1999).

Marketing as a contributor to success
Marketing as a prescribed theoretical set of activities was not perceived to contribute to business success but marketing as defined as positive word of mouth and long term customer relationships were regarded as fundamental to success.

“Our business is off repeat orders; people we know but primarily word of mouth.”
(Owner-manager of an electrical parts and design company)

“I know the customers well and they stick with us.” (Owner-manager of a foods component company)

Traditional marketing activities such as advertising and market research were not considered to contribute to SME business success but Word of Mouth communication (which was not perceived as marketing) and an ongoing dialogue with both existing and potential new customers was seen as essential. Referrals that arose from positive word of mouth were also an important contributor to the business. More importantly, the personal impact of the SME owner-managers, and the use of themselves as a branding tool, was also seen to be essential for business success as mechanics such as advertising and PR could not replicate the individualism and their associated skills they brought to the company.

Discussion
Extant literature suggests that the approach of SMEs to marketing is different from those of large organisations and the findings in this study support this view. Marketing in SMEs takes into account the unique business environment in which it operates, the characteristics of owner-managers (such as skills and abilities) and resources (O'Dwyer et al., 2009). In this study, marketing in SMEs is identified as an orientation through engagement with customers, matching customer needs, networking (Gilmore et al., 2001), and relationships with customers (Day et al., 1998). These characteristics comply with Hills and Hultman (2006) definition of small business marketing in that all the businesses were small in size, marketing actions are controlled by the owner-manager and marketing is seen as a part-time activity (Hills and Hultman, 2013. p.438). The key finding from the study was the focus on the self-branding of the SME owner (Shepherd, 2005; Ward and Yates, 2013) reflecting the view that SME owners themselves personified ‘the marketing’ and too much emphasis placed on impersonal marketing activities detracted from their unique contribution to the business, such as the use of their technical or specialist industry knowledge or their special relationship with their customers. Traditional marketing activities were viewed as potentially damaging to business credibility in that there was an inherent mistrust of its credentials and an insincere fit with planned and more defined marketing activities perceived as a potential threat to their control of the business.

It would be too simplistic to argue that conventional marketing models are not applicable to small organisations; they are, (see Chaston and Mangles, 2002) as it was evident that many owners were practising the fundamentals of marketing in terms of customer focus, meeting customer needs and identifying gaps in the market. The growth of the marketing industry and the activities practiced by large organisations have communicated an image of marketing, which does not fit with a small business perspective resulting in SMEs feeling unsure what marketing is, questioning the suitability of its application to their business context and fearful of the financial burden it represents. SMEs are practicing marketing in their own unique style reflecting their ability to offer products and services that exactly suit their customers, by having in-depth knowledge of their customers’ needs and being able to communicate with their customers on a personal basis. The key findings from the study have been modelled as a framework to identify how SME owner-managers view their role within marketing practice. This framework builds on the basic principles of marketing, the 4 and 7 Ps, and adds to the ‘Model of SME Service Branding’ (Horan et al., 2011) by identifying the characteristics of how the owner-manager specifically influences the SME brand and creates an identity for the business, which cannot be replicated (Shepherd, 2005).
Figure 1 - A 4Ps model for SME Self-Branding

Conclusions
Our research found four attributes frame a SME self-branding model. The personal brand of the owner-manager becomes the identity for the business through a unique set of skills, often honed to suit his/her particular market context and customer set. SMEs co-produce their business with their customers with much of their work shaped to exact customer requirements such as bespoke IT systems or specific ranges of goods. SMEs focus on the practice of the business in hand rather than spending time planning or formulating strategies and SMEs persevere with their businesses and build long term customer relationships through networking and a high degree of customer contact and interaction.

It could be argued that the SMEs ‘4 Ps’ self-branding model shown in Figure 1, represents a relevant set of marketing principles for SMEs in that it maximises the role of the owner-manager whose individual personality has created and shaped the business and adds to this personality a set of core skills, which are accessible to small businesses; the ability to work closely with their customers, the need to keep working at their business and the emphasis on practicing their trade. There are practical learning outcomes, which can be applied by SMEs from this model. There are benefits for owner-managers from networking and becoming involved with relevant groups such as the Chamber of Commerce and other local business groups (Dimitriadis et al., 2005; Sweeney, 1996), which provides forums for them to brand champion their business and adopt some form of customer segmentation which will be advantageous in that it will help identify the most profitable customers to work with over the long term.
This study suggests that SMEs are not doing ‘textbook’ marketing but are intuitively aware of core marketing principles to which they are adding a unique ‘personal brand’ of their own knowledge, skills and personality. As the small businesses in this study show, ‘textbook marketing’ appears alien, costly and not a strategic consideration and attention must be paid to signpost and deliver marketing advice appropriate to SMEs’ needs and dispel some of its mystique. This research indicates that the key marketing tool lies within the SME itself, and more specifically the SME owner-manager. Although the literature (Ramsey et al., 2003; Reijonen, 2008) frequently claim that owner-managers can be a barrier to marketing and the wider literature suggests that over reliance on the SME owner can be a weakness, this research revealed the opposite. By implementing their own personal and unique brand of knowledge, skills and relationship building, some owner-managers have developed a highly effective form of marketing that cannot be easily replicated. They have become the ‘face’ of the business, which distinguishes them from others. Indeed, many business leaders (e.g. Richard Branson) started life as small business owners and have built world renowned organisations on the back of their personalities (Gad and Rosencreutz, 2002). Thus, the owner-manager should be seen as a key marketing weapon for SMEs through their ability to stamp a personal ‘brand’ onto their business and differentiate themselves from others. This is an important practical and theoretical development which is worth pursuing as it may lead to a fuller understanding of what constitutes marketing in SMEs.

For policy makers we have found an approach to SME marketing that has been developed by SME owner-managers for SMEs owner-managers. Thus, policy makers may well view these developments as a contribution to making SMEs more competitive and successful and, therefore, able to grow (in terms of number of employees). This is an often stated objective of many governments but is a controversial area of research because there are many ‘lifestyle’ SMEs where the owner-managers do not wish to grow the business any further and potentially lose control of the business (Simpson et al., 2012). As SMEs have a substantial contribution to make to the economy, more support for research in this particular area is needed to unearth the principles of SME marketing where such knowledge can be developed and disseminated to inform present and future SME owner-managers and the workforce in the SME sector.

**Future research**

We have identified four tentative attributes with the potential to help us understand and inform future marketing practice in SMEs. Nevertheless, large scale studies across different populations and samples can be used in future research to strengthen and develop our tentative findings and this may lead to overall generalizability. Further research is proposed in two areas. Firstly, to explore the views of customers of small businesses to ascertain how they view the role of the SME owner-manager in the marketing of the business and in particular the notion of the owner-manager as the ‘brand’. This is an under-explored area and would further extend our knowledge and understanding of marketing within SMEs. Secondly, to develop a comprehensive understanding of the framework such that each element is properly deconstructed into their constituent parts and properly delineated so that they may be taught to existing and potential new owner-managers as well as in various educational institutions. Such an approach should follow the traditional academic route of finding out what works in practice and then emphasising and strengthening this approach so that it can be formally taught and then all SMEs can benefit from this work. This inductive approach may hold out opportunities for further developments in this area of SME marketing practices.
References


entrepreneur and customer-centric interrelationship”, Journal of Strategic Marketing, Vol. 18, No. 4, pp. 303-316.


Table 1 SMEs Interviewed for this Research

<table>
<thead>
<tr>
<th>Company</th>
<th>Owner-manager Age Range</th>
<th>Gender</th>
<th>Number of Employees</th>
<th>Age of company (years)</th>
<th>Turnover (£s)</th>
<th>Nature of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>55-64</td>
<td>M</td>
<td>14</td>
<td>31</td>
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<td>Systems and development</td>
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<td>2</td>
<td>20-35</td>
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<td>10</td>
<td>4</td>
<td>420,000</td>
<td>Beauty services</td>
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<td>3</td>
<td>55-64</td>
<td>M</td>
<td>6</td>
<td>6</td>
<td>70,000</td>
<td>Vegetarian restaurant</td>
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<td>4</td>
<td>20-35</td>
<td>F</td>
<td>6</td>
<td>4</td>
<td>100,000</td>
<td>Wholesaler</td>
</tr>
<tr>
<td>5</td>
<td>45-54</td>
<td>F</td>
<td>4</td>
<td>26</td>
<td>88,000</td>
<td>Jewellery</td>
</tr>
<tr>
<td>6</td>
<td>36-44</td>
<td>M</td>
<td>5</td>
<td>7</td>
<td>180,000</td>
<td>Web Design</td>
</tr>
<tr>
<td>7</td>
<td>20-35</td>
<td>M</td>
<td>9</td>
<td>5</td>
<td>500,000</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>8</td>
<td>45-54</td>
<td>M</td>
<td>5</td>
<td>9</td>
<td>400,000</td>
<td>Travel Agent</td>
</tr>
<tr>
<td>9</td>
<td>45-54</td>
<td>F</td>
<td>1</td>
<td>2</td>
<td>30,000</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>10</td>
<td>55-64</td>
<td>M</td>
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<td>20</td>
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<td>Electrical Parts and Design</td>
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<tr>
<td>11</td>
<td>45-54</td>
<td>M</td>
<td>4</td>
<td>4</td>
<td>2,000,000</td>
<td>Toiletries supplier</td>
</tr>
<tr>
<td>12</td>
<td>45-54</td>
<td>M</td>
<td>95</td>
<td>7</td>
<td>8,000,000</td>
<td>Food Components</td>
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<tr>
<td>13</td>
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<td>20</td>
<td>2,800,000</td>
<td>Data Processing</td>
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<tr>
<td>14</td>
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<td>4</td>
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<td>Electrical Installations</td>
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<tr>
<td>15</td>
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<td>48</td>
<td>8,000,000</td>
<td>Insurance</td>
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<td>Marketing Consultancy</td>
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<td>3</td>
<td>500,000</td>
<td>Domiciliary Care</td>
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<tr>
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<td>36-44</td>
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<td>18</td>
<td>33</td>
<td>1,000,000</td>
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<tr>
<td>19</td>
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<td>4</td>
<td>27,000</td>
<td>Crafts</td>
</tr>
<tr>
<td>20</td>
<td>36-44</td>
<td>F</td>
<td>2</td>
<td>10</td>
<td>150,000</td>
<td>Glassware</td>
</tr>
</tbody>
</table>
Table 2. The Features and Issues of the SMEs ‘4Ps’ Self Branding Model

<table>
<thead>
<tr>
<th>Personal Branding</th>
<th>Perseverance</th>
<th>Practice</th>
<th>(Co)Production</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Features</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• A control</td>
<td>• Networking over a long period of time</td>
<td>• Day to day tasks are preferred to planning</td>
<td>• Goods and services are co-produced with customers</td>
</tr>
<tr>
<td>mechanism</td>
<td>• Long-term relationships developed with customers and suppliers</td>
<td>• Engaged with customers in solving their problems</td>
<td>• Owner-manager brings specialist knowledge and expertise</td>
</tr>
<tr>
<td>• Tight personal, possessive ownership</td>
<td>• New customers obtained from personal recommendation</td>
<td>• Strong relationships with customers and suppliers</td>
<td>• Co-production may solve some resource problems for both parties</td>
</tr>
<tr>
<td>• Interdependency of the owner and the company</td>
<td></td>
<td></td>
<td>• Brings mutual benefits</td>
</tr>
<tr>
<td>• A personal owner-manager identity for the business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Potential Issues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Growth may bring problems</td>
<td>• Pressure on owner-manager to be ‘the marketing’</td>
<td>• Marketing planning is not understood or done</td>
<td>• Co-production may result in both organisations having resource constraints</td>
</tr>
<tr>
<td>• Personal Branding may not be present in medium sized businesses as the influence of the owner-manager diminishes with size of the organisation</td>
<td>• Maintaining the reputation of the business</td>
<td>• Marketing emerges from interactions with customers and the outside world</td>
<td>• Needs a good working relationship to be successful</td>
</tr>
<tr>
<td>• Process of forming a personal brand is unclear</td>
<td>• Unwilling to delegate this activity</td>
<td>• Marketing theory is not understood or applied</td>
<td>• Ad hoc formation of temporary organisations and collaborations</td>
</tr>
<tr>
<td>• Seen as similar to personal selling</td>
<td>• Lack of resources to maintain the effort over a long time</td>
<td>• Strategy and marketing is basic, emergent, unplanned, uncontrolled and chaotic</td>
<td></td>
</tr>
<tr>
<td>• Can formal marketing extend to personal branding?</td>
<td>• Growth may bring problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Potential brand conflict between own-manager and company</td>
<td>• Successors may not be able to replicate the same relationships and gain the same benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Obtaining visibility in a competitive ‘attention economy’</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>