### Market(ing) the Small

How does marketing work for UK SMEs?

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with thanks to Dag Bennett, Charles Graham, & Steven Barber

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**BACKGROUND**

**SME payroll characteristics**

<table>
<thead>
<tr>
<th>Micro &amp; Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-49</td>
<td>50-249</td>
<td>&gt;250</td>
</tr>
</tbody>
</table>

**SME payroll characteristics**

<table>
<thead>
<tr>
<th>Annual sales</th>
<th>Balance sheets</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 50 mill EUR</td>
<td>&lt; 43 mill EUR</td>
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</table>

**SME Turnover:** £1.8 trillion (47% of UK private sector)

**Growth in UK SME numbers**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>3.5 M</td>
<td>5.25 M</td>
<td>5.4 M</td>
<td>7,000</td>
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99.3% of all UK businesses are SMEs

**Total employment:** 15.6 mill in UK private sector (60%)

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**INTRODUCTION**

**SME characteristics**

- High flexibility
- Low bureaucracy
- Specialisation
- High employment rate
- Shorter reaction time

(FSB, 2016)

**ANNUAL PENETRATIONS & PURCHASE RATES**

<table>
<thead>
<tr>
<th>BRAND</th>
<th>% (P)</th>
<th>% (S)</th>
<th>% (T)</th>
<th>USGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folgers</td>
<td>24</td>
<td>11</td>
<td>2.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Maxwell House</td>
<td>22</td>
<td>10</td>
<td>2.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Taster’s Choice</td>
<td>17</td>
<td>9</td>
<td>2.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Nescafé</td>
<td>11</td>
<td>6</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Sanka</td>
<td>9</td>
<td>5</td>
<td>3.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Maxim</td>
<td>1</td>
<td>0.3</td>
<td>4.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Other brands</td>
<td>16</td>
<td>8</td>
<td>3.0</td>
<td>3.0</td>
</tr>
</tbody>
</table>

O = observed; T = theoretical (European Commission, 2014 & National Statistics, 2015)

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**LITERATURE REVIEW**

1/5 SMEs see marketing as key to growth

1/5

SME failure rates within 3 years

30%

8/10

(Chahal, 2015)

(McGregor, 2005)

(Wagner, 2013)

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**METHODOLOGY**

**Ad Hocive**

Move back & forth between theory & existing brand choice assumption

**Mixed-method approach**

Facilitating finding with more than one method to generate rich findings & provide a better understanding of the research problem

**Research questions**

What can be done?

What needs to be avoided?

What is the key to success?

What punishes the small?

What makes them fail?

What makes them grow?

Do marketing laws apply to SMEs?

Ceaseless debates on segmentation & differentiation (Ruzzier et al., 2015)

Defection, Switching, Stochastic wobble is normal, but to what extent does this apply to SMEs?

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**CONTRIBUTION TO KNOWLEDGE**

- Marketing laws: highly investigated, ubiquitous, & all-pervasive
- Small brands under-researched
- Results derived from big brands

(Makreting laws: highly investigated, ubiquitous, & all-pervasive)

(Lituanian MBA students would be interested in what makes them fail?)

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**LITERATURE REVIEW**

- Is a brand a SME & vise versa?
- Relevant performance metrics?
- What distorts results?
- Focus: slow & very slow share brands/SMEs
- Uniqueness or close substitutes?
- Mental & Physical availability?

Avoid unnecessary brands changes & invisibility (Boyd, 2016; Wagner, 2013; Sharp et al., 2012)

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**MAIN AIMS IN CONTEXT OF SMEs**

1. Examine brand buying & retaining behaviour laws
2. Develop applicability hypotheses
3. Test those hypotheses against panel data & perceptions held
4. Depening & extending brand choice & SME literature & understanding
5. Shift away from market leader focus

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**THE STUDY CANNOT PROVIDE**

Exhaustive explanations & elaborations of results & their limitations

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**THE STUDY STRIVES FOR**

Self-explanatory, systematic, & empirical generalisations of results

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