

Marketing Management Flaws – A Nordic Small and Medium Size Enterprises (SMEs) Perspective: Review

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ABSTRACT: In a competitive market, large companies and small and medium-size corporations (SMEs) participate. In fact, for SMEs and major companies, the regulatory requirements are often the same. Nevertheless, the tools for designing innovative marketing and business plans are often less regularly available for SMEs. These include market research (segmentation of markets, advertising, business dynamics etc.) and proactive marketing (market positioning, marketing and sales model, etc.). This seeks to research the main marketing problems in the Nordic region for small and medium-sized enterprises. The other goal is also to examine the factors which may influence the global competitiveness of SMEs. The authors created a questionnaire and performed a survey for a specified number of local small and medium-sized companies to meet the goals. Such queries are designed to determine the effectiveness of the marketing strategies of local SMEs and therefore to support local SMEs in creating a more sophisticated campaign management strategy.

KEYWORDS: Marketing management, Metal manufacturing, Nordic, SME

I. INTRODUCTION

In short, marketing is described as "profitable fulfillment of needs." Marketing works at defining and fulfilling individual and social criteria. On the other hand, brand strategy is known to be "the art and science of using the central marketing principle to choose target markets, to get, retain and grow consumers through superior consumer value creation, distribution and communications." Campaigns analytics generally includes: I market research such as market segmentation and targeting; (ii) aggressive campaigns such as market planning and strategy; promotion and communications forecasting, etc. Promotion intelligence. Over the years, a variety of methodologies, strategies and frameworks for coping with marketing management issues have been developed; see, for example, that rivalry between big companies and small and medium firms is an important factor for marketing management. It also addressed the key problems and challenges for brand strategy, in particular with respect to prediction. The patterns, motivations and organizational problems of small and medium-sized companies were also studied [1].

Nevertheless, the key brand strategy issues of SMEs in the Nordic region are still not fully understood. To order to fill the void, the European Union Integrate VA Nord initiative sponsored a project named CMT-Nordic coating and additive manufacturing business prospects. The purpose of this project is to explore new markets, find business opportunities and propose topics relevant to marketing strategy. The second main goal of the project is to analyze modern technologies in relation to current marketing systems and the approaches of small and medium-sized enterprises in northern countries [2]. Six different work programs are included in CMT. The goal of this project is to improve the prospects for small businesses in the area to engage in the international environment for research and innovation and to pass new coating and packaging technology to Norwegian, Swedish, and Finnish metal and engineering industries. The project will in specific works package 1 (WP1)-Market Analyzes and Reports. The aim is to work diligently in order to facilitate the working environment for small and medium enterprises [3].

The basic goals of this paper are therefore to present the results from the study, in particular the results from Project Package 1. In specific, SMUs employed in the manufacture, servicing, repair, development of mechanical equipment. by organizing visits to potential customizes, vendors and stakeholders were the aim of WP1, to recognize the major marketing strategy problems for SMEs operating in the Nordic area. In addition, the goal was to analyze the main factors which may influence the international competitiveness of SMEs.

To meet the goals suggested, the authors have created a questionnaire and, by encouraging them to join, performed a survey of a specified number of local SMEs. The survey questionnaires prepared are designed to assess the efficacy of local marketing campaigns for small and medium-sized businesses and therefore help to develop a better campaign management strategy. Although not a complete list of elements, the questionnaires included the main items which any local SME may wish to consider in the creation of a marketing strategy or plan for its company, products or services.

II. SURVEY RESULTS

As already stated, the authors created a questionnaire to define the main marketing issues for Nordic SMEs and performed an experiment in a small number of local SMEs. A new questionnaire is available. The primary objective of this paper was to consider the sales and market share of local small and medium-sized companies, their work on metal manufacturing, maintenance and repair work, the manufacture of various mechanical equipment, and so on. The goal was to use the survey results to assist in advising local businesses on how to boost international engagement prospects for local small and medium-sized companies. The findings will also direct small and medium-sized companies to adapt their marketing strategies to their local and international demand. The survey was aimed at keeping the interviewees—representing local small businesses—interested and exhausted. This was achieved by discussing the importance of the survey with the local small and medium-sized businesses involved, by clarifying their use and by ensuring that all the information the authors collect is held in the highest confidentiality and used only for research purposes [4].

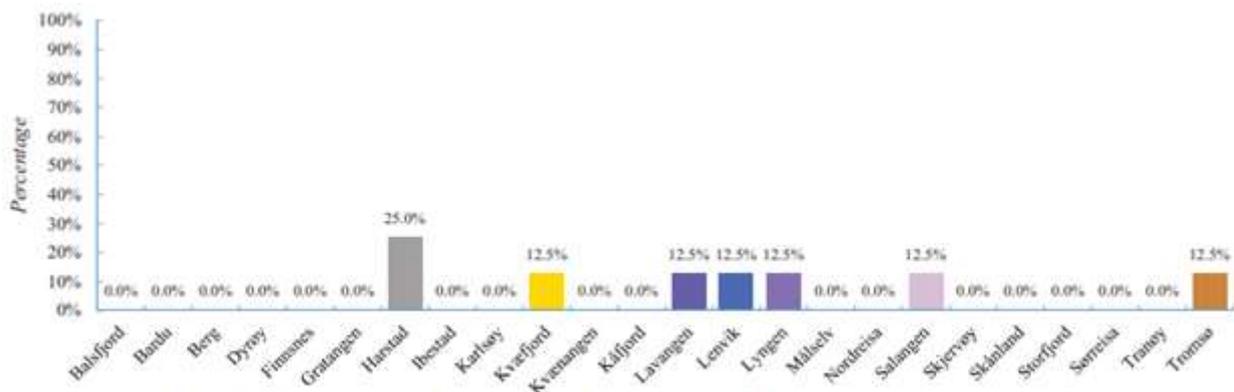


Fig.1 Location of Respondents, Local SMEs in Northern Norway

Fig.1 shows the profile of the respondents, their location, share and distribution in different northern Norwegian municipalities. It can be inferred from this that 25% of respondents, local SMEs, worked in the municipality of Harstad, Troms county, northern Norway. Area SMEs have engaged in the interview. The authors have also analyzed SMEs working in the Scandinavian regions of Finland and Sweden in addition to SMEs from northern Norway.

The aim of the survey is to explore the biggest marketing issues and basic information about small and medium-sized companies involved in commodity surface treatment and development in these fields. In comparison, the similarities and distinction between small and medium-sized businesses working in northern Norway or Sweden or Finland are obvious. From the study, the authors have found that most of Finnish small and medium-sized enterprises are located in the west and east of Finland [5].

The second questionnaire sought to explain the profile of local SMEs or industrial code(s), which best describes the products or services provided by small and medium-sized enterprises. Regional SMIs in general perform one activity: machining, machinery repairs, motor vehicle maintenance and repairs, with the exception of motorcycles, repair and maintenance of ships and boats, machinery and equipment for general purposes,

forestry, mining, quarry and building machinery production, iron surface treatment ,development of machinery for agriculture and forestry applications, manufacturing of special machines for use ,production of iron alloys /metal structure and of components/doors and of metal windows, shipbuilding and other floating vessels, repair and maintenance of the produced metallic products ,repair and maintenance of aircraft and spacecraft ,installation of industrial equipment for industrial application.

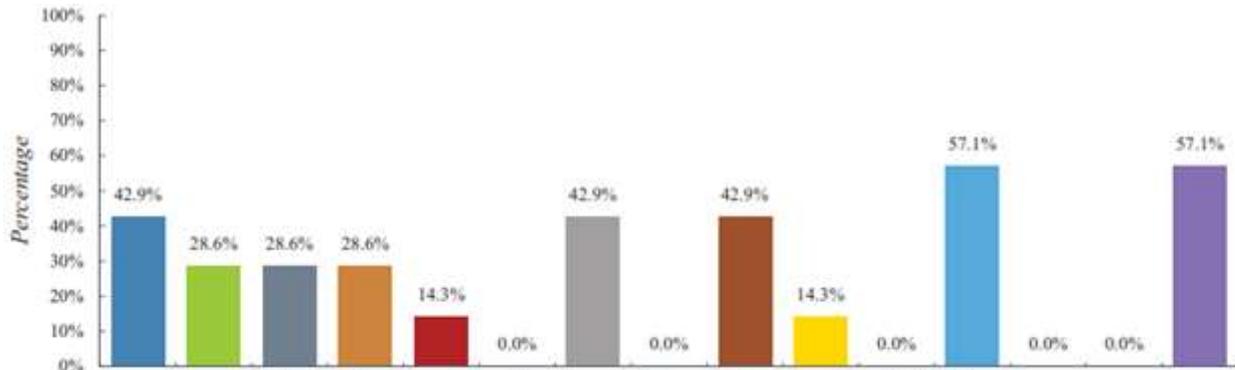


Fig. 2 Products or Service Offered By the Local SMEs

Fig.2 displays the shares of products and services sold by local SMEs. It indicates that the main service currently offered by local SMEs is the maintenance of imported metal goods. Furthermore, local small and medium-sized businesses also have a driving force in development of unique purposive machinery as well as machinery for agriculture and forestry use. In comparison, the study shown that approximately 60 percent of local small and medium-sized businesses performs two major operations–the repair of imported metal goods and the maintenance of different types of equipment. More than 40% of the local small and medium-sized businesses have machining and surface processing of metals. However, approximately 30% of respondent SMEs, besides vehicles, work on restoring and operating ships and vessels, equipment reparations and repairs and reparation. However, nearly 15% of all respondent small and medium-sized companies are involved in the production of machinery and equipment for general purposes, ferro-alloys / metal structures and parts / doors / metal windows. Many Finnish small and medium-sized businesses, on the contrary, participate in ship and boat repair and vessel surface care [6].

Later on, the authors have analyzed the founding year of the local SMEs in order to examine and measure the birth-and-death rate patterns among SMEs in northern Norway. The year of creation of local SMEs was outlined in Figure 3. The review of the survey data indicates that over 87 percent of SMEs were created before 2000, and the remaining small and medium-sized companies were formed between 2000 and 2005. This could show that the number of local SMEs is decreasing, particularly for the manufacturing, maintenance and repairs of metals, production of various types of mechanical equipment, etc. Nevertheless, the pattern could not decline; rather, it could suggest that newly-established small and medium-sized companies were not prepared to participate in the survey. In fact, the conclusion was obtained using the collected data from Norway's Central Legal Entities Coordinating Database, was also consistent with the survey results [7].

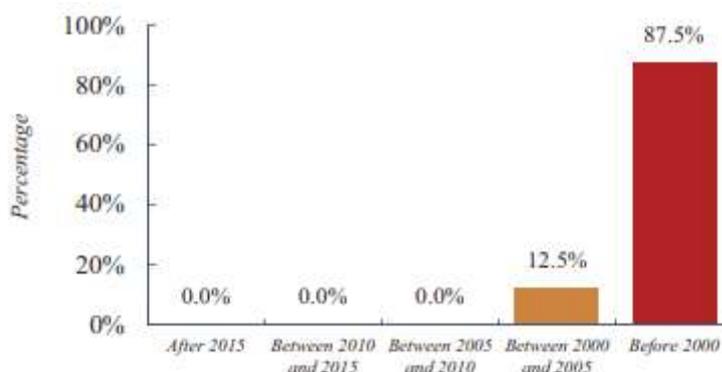


Fig. 3 Year of Establishment of the Local SMEs

The study also reflects on the scale of regional small and medium-sized businesses, which already use traditional surface and additive guides. The focus of these small and medium-sized companies is promotion and commercialization. Figure 4 shows the number and proportion of employees who work in local SMEs.

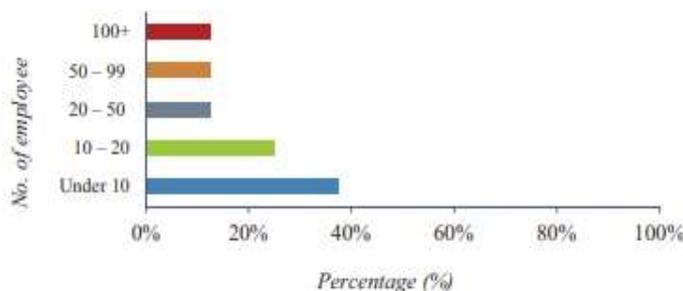


Fig. 4 Number of Employees Working In the Local SME

The result shows clearly that more than 62% of local SMEs are small businesses, with workers ranging from 1 to 20. In fact, medium-sized companies own about 25% of shares. That means that the number in the two sectors—small and medium-sized—is equal to 88%. This means that small and medium-sized businesses can be seen as a cornerstone of the northern Scandinavian economy. SMEs represent nearly 100% in western, eastern and northern Finland; 67% of these local SMEs employ fewer than 10 workers, and 33% of them recruit from 10 to 20 staff [8].

The research also concentrated on investigating whether or not local SMEs have a common marketing strategy / plan. Basically, marketing strategy is a description of the targets that the marketing efforts need to accomplish. On the other hand, the marketing plan is how the people should accomplish these business targets. Results show that a clearly defined marketing strategy and/or schedule for 50 percent of local SMEs. The results show that the other halves of the target small and medium-sized companies do not have a well-structured marketing strategy or schedule. This means that half of the small and medium-sized companies in the region do not understand the fundamental marketing goal of raising their revenue and attaining their competitive advantage. On the other hand, 67% of finish SMEs worked their client goal by means of a particular marketing strategy or initiative. Although these numbers sound encouraging, small and medium sized local companies continue to struggle to establish organized and realistic marketing policies and plans [7].

In addition, the author asked the interviewee about the local SMEs ' marketing strategy (i.e. SMEs, saying they are using a marketing strategy or marketing plan). Figure 5 shows the main marketing strategies used by local SMEs. Generally, the marketing strategy can be graded as Cause Marketing, Advertising Partnership, Scarcity Marketing and Undercover Marketing / Stealth Marketing.

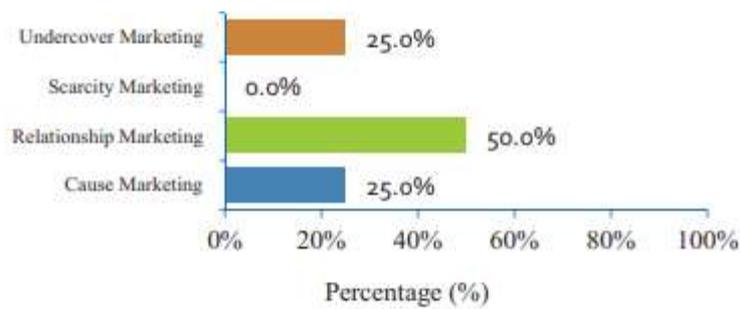


Fig. 5 The Main Marketing Strategies Employed By the Local SMEs

Relation marketing has shown that one of the main marketing techniques used by most Northern Norwegian small and medium-sized companies and by Finnish SMEs. To order to strengthen customer loyalty relationships with existing customers, the majority of local small and mid-size businesses prioritize profitability and satisfaction. Even if there are several positives in using partnership marketing, it also has many significant drawbacks. One of the main drawbacks is that it takes time for efficient and effective partnership management, a problem posed by emerging small and medium-sized companies. This leads to a lack of capital, until the small and medium-sized businesses develop themselves. The other downside is that a marketing campaign will destroy negative information or perceptions; and a change of the organization’s culture can be required [9].

Since reviewing the marketing strategies adopted by local small and medium-sized businesses, the author has attempted to explore the major marketing challenges facing local SMEs. The assessment of the business problem of local SMEs leads to tailor-made marketing strategy and market demand approaches. It will also offer recommendations on how the position of SMEs in the local and county markets can be strengthened [4].

The findings can be deduced from the lack of resources–funding constraints, a lack of skilled workers and lack of time–for more than 70 percent of local SMEs operating in the north-nordic zone. More than 25% of local small and medium-sized businesses have reported that they face many problems related to rising exposure or providing better leads. On the other hand, in Finland and Sweden, the main marketing problems for SMEs are lack of resources (budget / employee / time) and efficiently targeting consumers. Therefore, the main challenges of Finnish and Swedish SMEs are also to keep up with the trends and innovations and to choose the best social media platforms for business [10].

III. CONCLUSION

This paper examines the dynamics of brand strategy of Scandinavian SMEs by analyzing the key factors impacting the international competitiveness of SMEs. The key findings from the study are: The results show that one-half of the local Nordic small and medium-sized companies do not understand the fundamental aims of the business system, which aim to increase product sales and gain competitive advantage. The lack of resources (background constraints, lack of qualified staff and time scarcity) reaches over 70 per cent of Nordic SMEs. The overwhelming majority of local small and medium sized businesses, including over 87 percent of survey participant SMEs, have received no kind of marketing support assistance from the local municipalities.

The findings are that the municipalities or other government bodies will work to increase knowledge-sharing capacity of SMEs; notify the SME sector of assistance from local municipalities in marketing management strategies and systems. They are also responsible for advising the SME sector. Therefore, both local small and medium-sized enterprises and governmental agencies have to work intensively to establish new and engaging ways of communicating the challenges faced by the SMEs and to make the results and key findings more broadly accessible to local SMEs.

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