

## Chapter 58

# The Effectiveness of Financing the Marketing of Small and Medium- Sized Enterprises in Qatar and the Gulf Co-Operation Council (GCC) Countries: With a Special Focus on Advertising

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### ABSTRACT

*This chapter considers whether financing the marketing of small and medium-sized enterprises (SMEs) in Qatar and the Gulf Co-operation Council (GCC) countries has an effect on the advertising of these businesses. The authors investigate the various marketing finance problems facing SMEs and the effect on advertising. The chapter employs quantitative methods to gather and analyze data and the research strategy adopted involved a sequential procedure. In order to answer the research question how effective the financing of marketing of SMEs in the GCC countries is in terms of advertising the general profiles of respondents and businesses, the importance of the marketing department to the business and the marketing capabilities of SMEs were investigated taking into account the financing of the marketing budget.*

DOI: 10.4018/978-1-5225-7116-2.ch058

## **INTRODUCTION**

This chapter investigates the effectiveness of financing the marketing of small and medium-sized enterprises (SMEs) in Qatar and the Gulf Co-operation Council (GCC) countries with special reference to the advertising of these businesses. SMEs worldwide comprise most of the businesses in modern economies – around 90%. The GCC (formed in the year 1981) contains six countries, Qatar, Saudi Arabia, Oman, Kuwait, Bahrain and the United Arab Emirates. They are all new developing countries whose economies are mainly dependant on oil exports. This current economic situation has created a new understanding and definition of business and competition in these ambitious states and, as a result, the populations of all GCC countries are benefiting from the resultant competition that reduces prices and provides post purchase services.

Since the Gulf Co-operation Council countries consider SMEs to be an important sector through which to diversify their economies, they have deployed more effort into facilitating the establishment of SMEs. The positive change in the GCC countries' economies in the new millennium (due to high oil prices) has influenced them to consider SMEs as an alternative to oil should there be a future fall in oil prices again. Since advertising is an important element of the marketing mix; there is evidence that advertisers have affected the advertising industry in the GCC (Tuncalp, 2001).

*The GCC is a leader in terms of the oil and gas industry and, as a result, its business markets have started to grow in all respects. The member states have employed their resources to develop and reposition as open countries. This has created a new understanding and definition of business and competition in these ambitious states. As a result, the populations of all GCC countries are benefiting from this competition that brings prices down and provides post purchase service (Al-Marri, 2015). The evidence presented from the critical evaluation in this chapter shows that the GCC countries consider the SME to be an important tool with which to diversify businesses and incomes. Financial support of SMEs is one of the key activities being undertaken within the GCC to diversify its resources. An important element of this is the effectiveness of financing the marketing of SMEs in terms of advertising.*

In this study in order to gather and analyse survey data the research strategy adopted involved a sequential procedure with the following three stages:

- **Stage 1:** an assessment of the marketing industries in the economies of the Gulf countries.
- **Stage 2:** questionnaire design that followed certain steps to construct and develop a valid and reliable research instrument.
- **Stage 3:** a detailed qualitative analysis of the findings.

The questionnaire was designed to fit the objectives of the research, and included details of the study, anonymity and confidentiality for all participants in the study. At the end of the data collecting period, from a distribution of 1,600, some 403 fully usable questionnaires were returned, which were prepared for data analysis. The data from the survey undertaken were examined and analysed.

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