

# Chapter 71

## E-Marketing for SMEs

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### ABSTRACT

*This article describes that though there are few studies conducted on SMEs' life cycle, there are no studies specifically done around the globe with focus on electronic marketing approaches for SMEs. SMEs are flexible, so they can respond quickly to changing marketing requirements. Four approaches explain marketing role in small firms: the stages/growth model, the management style model, the management function model and the contingency model. SMEs face-marketing problems due to limited financial base, market knowledge, branding activities, expertise and over dependence on marketing ability of the owner/manager. They adopt reactive-marketing rather than planned marketing. Therefore, they face difficulties to exploit opportunities available in the market. Thus, the article aims to develop new ways of marketing approaches to every element of the-marketing mix (price, place, product and promotion). Further, as SMEs generally use a "conservative" approach to marketing, the study findings reflect that adopting electronic marketing approach can help them to offer new improved product or innovative use of existing product.*

### INTRODUCTION

Though, there are few studies conducted on SMEs' life cycle, but there are no studies specifically done on electronic marketing approaches in Namibia or any other country around the globe with focus. SMEs are flexible and can respond more quickly than large organisations to changing marketing requirements. According to Siu and Kirby (1998), four approaches try to explain the role of marketing in small firms. They are the stages/growth model, management style model, management function model and contingency model. SMEs face-marketing problems which are a resultant function of the small firms including: a limited base, limited marketing activity, expertise and impact; an over dependence on marketing ability of the owner/manager; reactive rather than planned marketing and difficulties to exploiting marketing

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opportunities as well as lack of knowledge about the market. Some decision made by SMEs on which approach to be used do not match with the customers one, because SMEs do not conduct marketing research most often. In addition, SMEs known to apply traditional marketing approaches rather than innovative-marketing . Hence, the study aims to develop new ways of marketing approaches to every element of the-marketing mix (price, place, product and promotion). Secondly, SMEs might have using a “conservative” approach to marketing an existing product, basically, as entrepreneurs marketing approach can offer new improved product or innovative use of existing product. Further, the level of e-marketing practice reflects the extent to which information technology plays either a reinforcing, enhancing or transforming role in SMEs (Coviello, Brodie, Brookes & Palmer, 2003). Using a mixed research methods the aim of this research is to identify various marketing approaches used to market SMEs marketing mix, assess the innovative-marketing practices currently used by several of SMEs entrepreneurs to determine best marketing option to follow. It also delves into how to strategize the best e-marketing that offer new ways of marketing, replace existing ones, and then provides recommendations on various decision which can be made for the enhancing the benefit for customers. Thus, the focus of the research is on what are the types of marketing approaches that SMEs can use and which are the e-marketing advertising media that can optimal to replace the traditional ones for maximization of customers benefit.

## **LITERATURE REVIEW**

SMEs can prove to be a major source of economic growth for many African countries if sufficient guidance and support on how best to overcome the challenges of adopting advanced marketing practices is available (Dlodlo & Dhurup, 2010). Further, marketing is an act of expertise, which mainstream enterprises find hard to play. Research has however revealed that any great competition needs dealing through successful innovation. As a result, firms need to take initiatives to deal with this growing global competition (Baporikar & Deshpande, 2017). It is hard to believe that movement to electronic marketing is spreading in the SMEs because of enhancing payback that is obvious day by day. Apart from worldwide prominence of SMEs, they face challenges in marketing in most of the countries, owing to changing business environment. Insufficient marketing ideas and weak attitude in leveraging complex marketing situations form operational blockages in selling the products. As a result, need persistently arises to improve the market setting which make up for an excellent marketing approach. Close observation of the-marketing challenges reveals that some of these challenges need addressing by identifying suitable approaches including electronic marketing approach. The focus of this paper is on the framework of electronic marketing approach for SMEs. Electronic marketing is the faster means of marketing in nowadays economy. One can sell and buy online while in one own house without having to step out. This means if SMEs can adopt the e-marketing approach it will help to reduce costs and enhance services. However, even though these benefits prevail in e-marketing , there are problems associated like lack of personal approach, dependability on technology, security-privacy issues, etc. According to Vuuren and Groenewald (2007), SME sector plays an important role towards contributing to the economic growth of an economy and averting the low gross national product, high unemployment and levels of poverty in countries. In addition, adoption of Internet marketing strategies if facilitated will contribute to the exponential growth of the SME sector. Despite its potential as a marketing tool, actual use of e-marketing has not met with expectations (Elliot & Boshoff, 2007).

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