

Exploring Marketing Strategies for Small Businesses in the United States

Dissertation

Submitted to Northcentral University

Graduate Faculty of the School of Business and Technology Management
in Partial Fulfillment of the
Requirements for the Degree of

DOCTOR OF PHILOSOPHY

by

JULIA CRONIN-GILMORE

Prescott Valley, Arizona
February 2009

UMI Number: 3351274

Copyright 2009 by
Cronin-Gilmore, Julia

All rights reserved.

INFORMATION TO USERS

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleed-through, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

UMI[®]

UMI Microform 3351274

Copyright 2009 by ProQuest LLC.

All rights reserved. This microform edition is protected against unauthorized copying under Title 17, United States Code.

ProQuest LLC
789 E. Eisenhower Parkway
PO Box 1346
Ann Arbor, MI 48106-1346

Copyright 2009
Julia Cronin-Gilmore

APPROVAL

Exploring Marketing Strategies for Small Businesses in the United States

by

Julia Cronin-Gilmore

Approved by:


Chair: Michael Scharff, Ph.D.

3/28/09
Date

Member: Danielle Babb, Ph.D.

Member: Daljit Singh, Ph.D.

Certified by:


School Chair: Freda Turner, Ph.D.

4/3/2009
Date

ABSTRACT

Exploring Marketing Strategies for Small Businesses in the United States

By

Julia Cronin-Gilmore

Northcentral University, February 2009

According to the Small Business Administration, there are approximately 23 million small businesses in the United States. Over 86% of businesses have no more than 20 employees, although the total number of people employed is approximately one-fourth of the entire United States workforce. In 2006, there were 649,700 new businesses and 564,900 existing businesses that closed. Nearly 50% of all small businesses close within the first five years. Two common reasons contributing to a failed business is inadequate marketing or poorly focused and executed marketing. The general problem in small business marketing is that business owners have product or service knowledge of what is being offered to customers but are not experts in the field of marketing and, therefore, struggle with how to implement strategic planning, a marketing plan, and other elements necessary for success. The purpose of this qualitative case study was to understand the decisions and actions a small business owner takes when pursuing marketing strategy. Five findings emerged from the in-depth interviews: marketing, formulating strategy, strengths, values, and needs. The small business owners identified marketing as the most important theme, and although they did not feel they were marketing, all owners were involved in

informal or formal networking and building long-term relationships, which is part of marketing. One significant finding is that small business owners formulate strategy for 6 months or less, which does not include long-range planning. Recommendations for future research include marketing education, training, competition, strategies, knowledge resources, networking, women and entrepreneurs, minority entrepreneurs, and social capital.

ACKNOWLEDGEMENTS

The process of learning is continuing to strive for knowledge, and along the way, many individuals are needed to assist in this endeavor.

I would like to thank my parents, Bernard and Evelyn Cronin, for teaching me that anything is possible in life, and my in-laws, Arvid and Judith Gilmore, for your gentle care.

To my husband, and best friend, Alan Gilmore, for loving me for over 25 years and realizing that this has been one of the greatest gifts bestowed upon me in life. My success was possible because you were always there for me.

A special note to my wonderful children, Garrett Gilmore, Collin Gilmore, and Anna Gilmore: may you always appreciate the value of knowledge in your life and be surrounded by people who truly love you.

To my brothers and sisters for being supportive over the years: Susan Hughes, Mary Moskal, David Cronin, Margie Kucks, Maureen O'Donnell, Loretta Mattheiss, Elizabeth McCoy, and Terry Cronin.

Thank you to my outside reviewer, Dr. Tammy Moerer, and consultant Dr. Adele Harrison, who inspired me to pursue a doctoral degree and continued to provide invaluable advice throughout the process.

Thank you to my committee members: Dr. Michael Scharff, Dr. Daljit Singh, and Dr. Danielle Babb, for your insightful feedback and positive attitude.

TABLE OF CONTENTS

LIST OF TABLES	ix
CHAPTER 1: INTRODUCTION.....	1
Topic overview	1
Statement of the Problem	3
Background and Significance of the Problem.....	4
Purpose of the Study	5
Research Questions	6
Description of Research Design	6
Definition of Terms	8
Highlights and Limitations of Methodology	10
Summary and Conclusions.....	11
CHAPTER 2: LITERATURE REVIEW	13
Networking	14
Resource Disadvantage	17
Competition and Cooperation.....	18
Growth.....	20
Business Partnerships and Alliances	21
Stakeholders	22
Strategies.....	23
Profitable and Unprofitable Strategies	25
Survival Chances	26
Organizational Competence	28
Knowledge Resources	29
Summary	30
CHAPTER 3: METHODOLOGY	32
Overview	32
Restatement of the Problem and Purpose	32
Statement of the Research Questions.....	33
Description of Research Design	34
Selection of Participants	39
Procedures	40
Ethical Assurances	45
CHAPTER 4: FINDINGS	47
Findings	47
Analysis and Evaluation of Findings	52
Summary	75
CHAPTER 5: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS	79
Summary	79
Conclusions	86

Recommendations	88
REFERENCES	93
APPENDIXES	99
Appendix A: Interview Outline	100
Appendix B: Informed Consent.....	102
Appendix C: Transcript Coding	104
Appendix D: Women and minority entrepreneurs.....	112
Appendix E: Future Marketing Training Topics.....	113
Appendix F: Minority Owned U.S. Businesses	114

LIST OF TABLES

Table 1 Participant Demographic Information	47
Table 2 Identified Codes	52
Table 3 Transcript Theme Analysis.....	56
Table 4 Identified Codes, Themes, and Values	57
Table 5 Findings	59

CHAPTER 1: INTRODUCTION

Topic overview

According to the Small Business Administration (SBA) definition, there are approximately 23 million small businesses in the United States (Bovee, Thill, & Mescon, 2007). On average, 60% of employers have fewer than five employees and 80% of all companies have sales which are less than \$1 million (Bovee et al, 2007). Over 86% of businesses have no more than 20 employees, although the total number of people employed is approximately one-fourth of the entire United States workforce (Griffin & Ebert, 2006).

In 2006, there were 649,700 new businesses and 564,900 existing businesses that closed (SBA, 2008a). Nearly 50% of all small businesses close within the first 5 years (SBA, 2008b). Two common reasons noted by Dunn & Bradstreet for contributing to a failed business is inadequate marketing or poorly focused and executed marketing (MasterCard, 2008). Lack of marketing knowledge can be considered part of education and training (Simpson, Tuck, & Bellamy; Freeman, 2000).

Small businesses are considered the cornerstone of the United States economy (Bovee et al, 2007). Small businesses drive the economy and sustain the technological lead in the global marketplace resulting in one-third of all new patents issued. Over 60% of all new jobs are created yearly as the result of small business entrepreneurs creating opportunities for their business (Cardin, 2007). Small businesses represent 99.7% of all employer firms and 45%, or

approximately half of all private sector employees, work for small businesses (Kobe, 2007).

In addition to creating jobs, small businesses create new ideas and processes through innovation which adds vigor to the marketplace and are important to large businesses since most of the products made by big businesses are sold by small businesses (Griffin & Ebert, 2006). Small business firms produce 13 times more patents per employee compared to large patenting firms (Kobe, 2007). The small business economy generates about half of the private sector output plus serves niche markets that are often not filled by large businesses (Bovee et al, 2007). Small businesses fulfill an important role in the economy by providing jobs; small businesses that desire to grow into midsize or large businesses create between two-thirds to three quarters of new jobs (Bovee et al, 2007).

Through small businesses, new products are introduced, which is a freedom of innovation characteristic of many small businesses that yield countless advances in technologies, marketable goods, and services (Bovee et al, 2007). Another service provided by small business proprietors is supplying the needs of larger organizations by acting as distributors, suppliers, and servicing agents to large corporations; government agencies often reserve a certain percentage of their purchasing contracts for small businesses (Bovee et al, 2007). As a result of small businesses, a considerable amount of money enters into the United States economy; plus, small businesses are taking risks that larger businesses often avoid by being willing to try new and unproven ideas

(Bovee et al, 2007). The products or services small businesses provide are often specialized, which fill market niches not being served by existing companies (Bovee et al, 2007).

How small businesses pursue marketing strategy is an increasingly complex subject, and one that should be studied using a case analysis method (Roberts, 2004). A case analysis exploratory method was used to (a) diagnose the current marketing situation for small entrepreneurs, (b) screen possible alternatives for incorporating the marketing plan and pursuing marketing strategies, and (c) discover how organizations can reach small business owners and provide needed services including training to better equip the business for success (Roberts, 2004).

Statement of the Problem

The general problem in small business marketing is that business owners have product or service knowledge of what is being offered to customers but are not experts in the field of marketing and therefore struggle with implementing strategic planning, a marketing plan, and other elements necessary for success (Day, 2000; Kotler, 2004). The 10 most critical marketing mistakes a small business can make include the following: not sufficiently market-focused and customer-driven, they do not understand target customers or monitor competitors, mismanage relationships with stakeholders, they have difficulty discovering new opportunities, are deficient in marketing planning; product and service policies need tightening, weak brand-building and communications efforts, do not make maximum use of technology, and they are not well

organized to carry out marketing (Kotler, 2004). More specifically, small businesses struggle due to lack of marketing knowledge that is aimed at understanding specific marketing problems (Freeman, 2000; Kotler, 2004). Small business owners struggle, because when they seek help, they do not understand if the knowledge they have sought is worthwhile to the success of their business.

Background and Significance of the Problem

In 2006, there were 649,700 new businesses and 564,900 existing businesses that closed (SBA, 2008a). Nearly 50% of all small businesses close within the first 5 years (SBA, 2008b). One common reason noted by Dunn & Bradstreet for contributing to a failed business is inadequate marketing or poorly focused and executed marketing (MasterCard, 2008). A contributing factor to a failed business can be lack of marketing knowledge as it can be considered part of education and training (Freeman, 2000; Simpson et al, 2004). Education and training can lead to or be part of business experience. According to Hisrich (2008), "Although there are many causes of business failure, the most common is insufficient experience" (p.38). Many small businesses are just concerned with selling and do not market their business (Kotler, 2004).

A gap exists in the research between what a small business owner should do to be successful and what strategy decisions the owner actually makes which can be in conflict. In the body of research, authors study one part of a small business owner's strategy decisions, such as networking, but the research does not take into account other factors such as forming a strategic alliance, competition, and cooperation. The focus of this qualitative case study was to

explore the effects of entrepreneurial marketing strategy efforts and explore what decisions a small business owner makes in regards to 12 subjects including: networking, firm resources and sustained competitive advantage, resource disadvantage, competition and cooperation, growth, business partnerships and alliances, stakeholders, strategies, profitable and unprofitable strategies, survival chances, organizational competence, and knowledge resources. The qualitative study probed beyond a one-subject analysis and combined 12 areas as identified in the research. The general population consisted of small business owners in the United States.

Purpose of the Study

The purpose of this qualitative case study was to explore how small business owners pursue marketing, understand why decisions are made, how decisions relate to marketing strategy, and what influences affect their small business. Business owners have product or service knowledge of what is being offered to customers but are not experts in the field of marketing and therefore struggle with implementing strategic planning, a marketing plan, and other elements necessary for success (Hisrich, 2008; Simpson et al, 2004). More specifically, small businesses struggle due to lack of marketing knowledge and also because when they do seek help, they also struggle to understand if the knowledge they have sought out is worthwhile to the success of their business (Bovee, Thill, & Mescon, 2007); for example, some small business owners may purchase a book from their local bookstore and consider it to be the guiding force, while another small business may believe a strategic alliance with a larger

company is the only strategy needed because it was suggested in a workshop. In the examples provided, neither business may have the background in marketing to judge the quality of information that is guiding their marketing strategy efforts which will ultimately affect their business success. The researcher explored the problem of why small business owners struggle with marketing and the focus was on small business marketing strategy. The general population consisted of small business owners in the United States.

The researcher selected a group of 20 participants, who reside in the United States, and conducted taped in-depth interviews. The efforts of small business marketing strategy was generally defined as pursuing efforts to create, communicate, and deliver value to consumers.

Research Questions

The researcher explored the process that small businesses pursue in creating marketing strategy for their firm:

- Q1: How does the small business pursue marketing?
- Q2: What types of resource advantages and disadvantages exist for a small business owner?
- Q3: What makes the small business owner competitive?
- Q4: How important are business partnerships and alliances to the small business owner?
- Q5: How does a small business formulate market segment strategy?

Description of Research Design

The method of research consisted of exploratory research in a case study method obtaining information from a purposeful sample of 20 small business

owners, all adults over the age of 18, in the United States. The participants were selected by the researcher to explore marketing strategy efforts in small businesses. Depth interviews were conducted, gaining knowledge about how small business owners pursue marketing, why decisions are made, how it relates to marketing strategy, and what influences affect their small business. The viability of conducting a case study can be affirmed through a qualitative exploratory study designed to ask participants how and why questions which provides for more in-depth analysis (Lupinacci, 1996; Yin, 2005). Case studies are designed for when the researcher has very little control over events or the focus is on a contemporary phenomenon (Yin, 2005). The failure rate of new businesses in the US is a contemporary phenomenon. In 2006, there were 649,700 new businesses and 564,900 existing businesses that closed (SBA, 2008a). Nearly 50% of all small businesses close within the first five years (SBA, 2008b).

An additional advantage to conducting depth interviews is that the interviewer was considered an expert in the field, and was understood by the respondents as such (Zikmund, 2003). A depth interview allows more freedom of expression without the interviewer directing responses which would ultimately bias the data (Yin, 2005). The questioning allows for greater depth, insight, and illumination (Shank, 2006). In addition, the study focused on what an experience meant for the participants (Schram, 2006). In this method of inquiry, the researcher sought to convey meaning that is fundamental to the experience, no matter which individual had the experience (Creswell, 2008; Yin, 2005).

Definition of Terms

Terms that are specific to the field of marketing, or are not commonly known, were used in the study.

Chamber of commerce. Defined by Merriam-Webster (2008), as “an association of businesspeople to promote commercial and industrial interests in the community” (Merriam-Webster, 2008).

Competitive advantage. As defined by Lamb, Hair, and McDaniel (2008), it is “The set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition” (p. 19).

Competitor analysis. According to Kotler and Armstrong (2006), it is “the process of identifying key competitors; assessing their objectives, strategies, strengths and weaknesses, and reaction patterns; and selecting which competitors to attack or avoid” (p. G-2).

Customer lifetime value. Defined by Kerin and Peterson (2007), it is “the present value of future cash flows arising from a customer relationship” (p. 45).

Depth interview. As defined by Feinber, Kinnear, and Taylor (2008), “A qualitative technique in which the interviewer conducts a semi-structured conversation with a respondent in an effort to accurately gauge attitudes, emotions, beliefs, and feelings” (p. 670).

Marketing. According to Kotler (2008), is “The process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return (p. G5).

Marketing niche. Defined by O'Guinn, Allen, and Semenik (2006), as "A relatively small group of consumers who have a unique set of needs and who typically are willing to pay a premium price to a firm that specializes in meeting those needs" (p. 739).

Marketing mix. As described by Feinberg, Kinnear, and Taylor (2008), it is "The set of variables that a manager or firm can use to influence a marketing outcome of interest, usually sales or market share. Marketing mix variables usually comprise the Four P's-price, product, (characteristics, packaging), place (distribution channels), and promotion (consumer and trade)-as well as ad expenditures" (p.674).

Relationship marketing. According to Ferrell and Hartline (2008), it is "the goal is to develop and maintain long-term, mutually satisfying arrangements where both buyer and seller focus on the value obtained from the relationship" (p.21).

Small business. The United States Small Business Administration currently defines a small business according to Bovee, Thill, & Mescon (2007) "as a firm that (a) is independently owned and operated, (b) is not dominant in its field, (c) is relatively small in terms of annual sales, and (d) has fewer than 500 employees" (p.197).

Stakeholder. It is "One of a group of publics with which a company must be concerned. Key stakeholders include consumers, employees, stockholders, suppliers, and others who have some relationship with the organization" (American Marketing Association, 2008).

Strategic alliance. As defined by Griffin (2007), "Strategy in which two or more organizations collaborate on a project for mutual gain" (p.96).

Strategic planning. According to Kotler (2008), "The process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities (p. 36).

Value. As defined by O'Guinn et al. (2006), "A perception by consumers that a product or service provides satisfaction beyond the cost incurred to acquire the product or service" (p.745).

Highlights and Limitations of Methodology

The case study research method was the optimal design for the study. The methodology chosen was not driven by a preconceived theoretical construct and research hypothesis; it was an intention to explicate a given phenomenon (Pietersen, 2002). In a quantitative study, the researcher is interested in the relationships between independent and dependent variables, this case study was designed to discover the perceptions of small business owners when pursuing marketing strategy. The inquiry focused on common themes within similar human perceptions, versus perceptions which might be presumed as universally shared (vanManen, 2002). The reduction, rather than a cause-and-effect relationship analysis, revealing themes that have specific perceptions, and these themes will lead to an analysis which is more than theoretical or conceptual abstraction (Yin, 2005).

The case study involved a process that focused on reducing participants' experiences with owning a small business and marketing their product/service.

The data analysis was intuitive and interpretive, focused on discovering common themes from the interview questions which related to the primary research questions. The recovery of perception allowed creation of common themes as they related to the study research questions.

The recovered meanings in the study were derived from the participants' experiences in owning their own small business and how marketing strategy was pursued, reducing the meanings to common themes, and consequently applying the data to the study research questions (Yin, 2005). The most substantial limitation of the qualitative study was related to interpreting the participants' perceptions. If the researcher did not leave behind bias, preconceived ideas, or prejudgments which surround the phenomenon, then there could have been a risk that a true interpretation was inhibited or disqualified. Limitation also related to reliability. If the methods and procedures chosen were not documented and implemented consistently, interpretation and translation would not have been reliable.

Summary and Conclusions

As a result of this qualitative case study, new research can be available in marketing or management literature representing a qualitative analysis of small business marketing efforts. Understanding how and why small business owners make marketing decisions aids in developing strategies to assist in small business marketing efforts. Further, best practices and guidelines in the form of journal articles, papers presented at conferences, and books, can provide needed knowledge addressing small business owners and their marketing efforts

through developing sound marketing strategies that are viewed by the small business owner as realistic.

The results of the study can provide recommendations to practitioners on how to raise the awareness while educating small business owners on the importance of marketing: that small business success can be improved with marketing, that small businesses need quality marketing knowledge, and that financial concerns may be a prohibitive for small business owners actively engaging in marketing. In addition, a result of the study will determine realistic marketing for the small business and provide direction for creating a marketing plan with sound strategies, thus increasing market share.

Policy could be addressed by understanding how small businesses search out knowledge and incorporate it into their firm and how they improve the quality of knowledge and training. Recommendations can be presented in the form of literature to academic peer reviewed journals, conference presentations, organizations in the Greater Omaha, Nebraska area, including the Chamber of Commerce, United States Small Business Administration, and professional marketing groups, including the American Marketing Association and the Mid-America Direct Marketing Association, as well as informing future MBA marketing strategy students of the importance of formulating sound realistic marketing strategies for small businesses.

CHAPTER 2: LITERATURE REVIEW

The literature review included researching small business marketing in scholarly journal articles where the data was dependent on a variety of collection methods including: primary data in various forms, secondary data from published books and journal articles, conference papers, and expert experience among others. Dissertation studies were also explored as a means of research. The majority of dissertation case study research did not fall within the five year time period and, therefore, was excluded. Research from Yin (2005) was explored and the questions of how and why small businesses pursue marketing strategy were researched (Yin, 2005). The research was divided into the sub-topics of networking, firm resources and sustained competitive advantage, resource disadvantage, competition and cooperation, growth, business partnerships and alliances, stakeholders, strategies, profitable and unprofitable strategies, survival chances, organizational competence, and knowledge resources.

Networking was found to increase firm performance and was part of a quantitative study that did not address how and why firm's networked (Hite & Hesterly, 2001). The organizational partnerships, networks, and alliances were explored in a case study method from 1990 to 2002 that underlined the vital importance in assisting firms towards increased profitability (Street & Cameron, 2007). Within the partnerships, networks, and alliances, the issue of trust in the relationship was not explored nor were the questions of how and why a small business decides what size of a business, small or large, to align with. Aligning with large firms was explored in a case study method, and although much of the

value was controlled by the large firm, it was deemed valuable to small firms to enter into such an alignment (Alvarez & Barney, 2001). The case study did not examine if small business owners were willing or reluctant to enter into an alliance where they ultimately gave up control to a larger firm. Case studies explored how creating strategy would benefit the small firm with increased revenue and market share (Gamble & Thompson, 2009; Stewart, 2004). Although, the time-frame small businesses developed strategy for was not explored nor was it determined if a small business owner created long-term strategies for their small business.

Networking

Hite and Hesterly (2001) conducted a study on networking that used cohesive networks which contained socially embedded ties versus sparse networks that were abundant in structural holes which were more advantageous to the success of a new firm. Overall, the authors suggested that both were conducive to increasing firm performance when aligned properly with the firm's challenges in resources.

Kotler and Armstrong (2008) presented information on managing profitable customer relationships, partnering to build customer relationships, the marketing environment, managing marketing information, consumer, and consumer buyer behavior. Business markets and business buyer behavior, creating value for target customers, product, services and branding strategy was discussed. New-product development and product life-cycle strategies, pricing strategies, marketing channels and supply chain management, retailing and

wholesaling were explored. Integrated marketing communications strategy, advertising and public relations, personal selling and sales promotion and building direct customer relationships were discussed. Networking or network marketing is estimated to be over \$9 billion in industry sales, and having a group to network with, or essentially sell to, can be an asset to the small business which is developed through the relationship in the network.

Street and Cameron (2007) discussed the relationships that small business owners have with external organizations which have the potential to assist in business development, growth, and survival. A longitudinal study was presented which encompassed the time from 1990 to 2002. Business literature as it related to external relationships including organizational partnerships, networks, and alliances were reviewed and explored by the authors. The external relationships a small business formed were a primary focus and underlined the vital importance in assisting the firm towards increased success and profitability.

Firm Resources and Sustained Competitive Advantage

Hoffman (2000) developed a paper which examined the body of literature as it related to the long-term success of firms and sustainable competitive advantage (SCA). The author addressed the origins of SCA and discussed how it related to marketing strategy. The author presented a model that linked several concepts that were established in the literature relating to relationship marketing and applied them in a network environment with specific propositions including network identity as an antecedent of trust and communication as an antecedent

of both trust and organizational learning; commitment was the result of both trust and organizational learning, and both trust and commitment result in SCA.

Harris (2000) researched advertising and sustaining a competitive advantage in a small business; theory provided a basis to determine the extent which small firms develop a strategic advantage and how the role of advertising guides the strategic planning process behavior. Surveys were sent to a population of 76 to determine whether there is a relationship between advertising and the success of the firm. Recommendations for incorporating advertising into the strategic planning process were provided with notations that a true measurement may be more effective when starting in the beginning stages of advertising.

Keller (2003) presented information on brands and brand management, customer-based equity, brand positioning and values, choosing brand elements to build brand equity, designing marketing programs to build brand equity, integrating marketing communications to build brand equity, and leveraging secondary brand knowledge to build brand equity. Developing a brand-equity measurement and management system, capturing customer mindset, capturing market performance, designing and implementing branding strategies was explored. Introducing and naming new products and brand extensions, managing brands over time, geographical boundaries, and market segments were discussed. This source was selected to aid in the discussion of firm resources and sustained competitive advantage. Competitive actions are, at times, directed toward eliminating points of difference enabling them to be either a point of parity

or one of strength. Some points of competitive advantages exist for only a short time until competitors can match them. When a competitor challenges another company, there are three reactions which are the following: do nothing, go on the defensive, or go on the offensive.

Zeithaml, Bitner, and Gremler (2006) presented information on services, customer behaviors, expectations, and perceptions of service, listening to customers through research, building customer relationships, service recovery, service, and design. The researchers examined customer-defined service standards, physical evidence and service, employees' and customers' roles in service delivery. The authors explored delivering service through intermediaries and electronic channels, managing demand and capacity, integrated services marketing communications, pricing of services, and the financial and economic impact of service. Customer service was noted as being a source of sustained competitive advantage.

Resource Disadvantage

Dyer (2006) examined the family effect on firm performance and discussed human capital as it relates to firm talent. Due to the restricted nature of talent pool in a family business, it may be an inhibitor to having qualified personnel to operate a business successfully. When incompetent family members are placed in key positions, firm performance can be jeopardized, leading to a competitive disadvantage. Family connections may be an inhibitor for a firm in utilizing and developing management talent placing it at a human capital competitive disadvantage.

Griffin and Ebert (2006) used data from journal articles based on entrepreneurial studies as a foundation for describing the distinctions between entrepreneurship and small business in the United States. In addition, entrepreneurial characteristics were provided along with starting and operating a new business, success and failure in small business, non-corporate business ownership, and corporations.

Ratanapornsiri (2003) analyzed market orientation and the impact on performance including the gap of strategic flexibility. Strategic flexibility as a proactive and reactive framework was explored. Three variable sets were investigated including the antecedents to a market orientation, the strategy variables which exist, and the consequences of having a market orientation.

Competition and Cooperation

Czinkota and Kotabe (2001) presented an overview of marketing, marketing planning, understanding the environment and the competition, understanding the buyer, marketing research and information, and estimating the market demand. Market segmentation was discussed, along with positioning and branding, product and service decisions, new products, pricing decisions, distribution, and supply chain management. Designing effective promotion and advertising strategies were presented with direct marketing, sales promotion, and public relations, selling and sales management, and the future of marketing.

Ferrell and Hartline (2008) developed a textbook in marketing strategy which focuses on marketing in today's economy, strategic marketing planning, marketing ethics and social responsibility in strategic planning, collecting and

analyzing marketing information, developing competitive advantage, and strategic focus. The authors concentrated on customers, segmentation, and target marketing, product and pricing strategy, distribution and supply chain management, integrated marketing communications, and marketing implementation and control, along with developing and maintaining long-term customer relationships. All can be assessed as adding competitive advantage.

Grewal and Levy (2008) presented information on assessing the marketplace, understanding the marketplace, and targeting the marketplace which can assist a firm in developing a strategic advantage over competitors. In value creation, value capture, and value delivery, a consistent integrated marketing communication message can build cooperation among employees as they are all focused on one consistent message. Establishing value in the minds of consumers adds another dimension to the exchange process and can be a source of competitive advantage.

Kotler and Keller (2006) presented information on understanding marketing management, capturing marketing insights, connecting with customers, building strong brands, shaping the marketing offerings, delivering value, communicating value, and creating successful long-term growth for competitive advantage.

Laudon and Traver (2007) presented data on E-commerce, the revolution, and E-commerce business models, the internet and World Wide Web, building an E-commerce site, security and encryption, payment systems, marketing concepts, marketing communications, and ethical, social, and political issues.

Retailing, online service industries, business-to-business commerce, online service industries, auctions, portals, and communities, and online content providers.

Growth

Cassar and Gibson (2007) used a longitudinal study to survey the rationality of revenue forecasts among small firms. The authors dismissed the fact that revenue forecasts made by the small firms are optimistic and found conversely that the forecasts were too extreme and generally over-extrapolate the previous growth. The researchers discussed data that was consistent with overconfidence biases and heuristics that influenced a revenue forecast made by small firms.

Davenport and Wilson (2003) presented information on winning with ideas, the idea practitioners, ideas at work, the guide to gurus, market savvy, ideas that fit an organization, the reengineering of Tsunami, knowledge management, idea-based leadership, a select survey of business and management ideas, the idea practitioners, and the top two hundred business gurus.

Keegan (2002) presented information on global marketing, the global economic environment, social and cultural environment, the political, legal, and regulatory environment, global customers, global marketing information systems, and research. The author presented segmentation, targeting, and positioning, entry and expansion strategies, along with cooperative strategies and global strategic partnerships. Keegan analyzed competitive analysis, product decisions,

pricing decisions, global marketing channels and physical distribution. The author explored global advertising, promotions, e-marketing, leading, organizing, and monitoring the global marketing effort and the future of global marketing. Keegan discussed growth as it related to a natural progression firms aspire to.

Business Partnerships and Alliances

Alvarez and Barney (2001) focused on an economic value that can be created through alliances between entrepreneurs and large firms, although much of the value was appropriated or controlled by the larger firm. Therefore, the long-term performance and survival of the entrepreneur was noted as being at risk. The authors discussed the conditions where large firms created value, and the actions those entrepreneurs took to create more value from the alliance.

Gamble and Thompson Jr. (2009) presented information on how business partnerships and alliances can add to a firm's collection of resources and competencies. From 1996 through 2003, nearly 68,000 US firms noted alliances. The authors outlined five factors as making an alliance versus a business arrangement including:

1. It is critical to the company's achievement of an important objective.
2. It helps build, sustain, or enhance a core competence or competitive advantage.
3. It helps block a competitive threat.
4. It helps open up important new market opportunities.
5. It mitigates a significant risk to a company's business (Gamble & Thompson, 2008, p. 51).

Winer (2007) discussed marketing and the job of the marketing manager and how it relates to business partnerships and alliances: building a strategic marketing framework, marketing research, analyzing consumer behavior, organizational buying behavior, market structure and competitor analysis. The author explored product decisions, new product development, pricing, communications and advertising strategy, sales promotion, channels of distribution, direct channels of distribution, customer relationship management, and strategies for service markets. The author noted that the marketing manager's job was knowing the business and how it can fit within another firm for a possible alliance.

Stakeholders

Bovee et al. (2007) presented data based on journal articles which addressed forms of business ownership, understanding the world of small business, minding an owned business, starting a small business, and technologies that are revolutionizing business. The authors discussed small business ownership options, the franchise alternative, why new businesses failed, and sources of small business assistance.

Ketchen and Eisner (2008) outlined stakeholders as anyone who has a vested interest in the company's success including owners, employees, customers, and suppliers among others depending on the business. When a business operates, it does not do so independently, and the people and firms it interacts with become integrated into the business; therefore, continued operation and success will affect stakeholders, as will the business closing.

Strategies

Cravens and Piercy (2006) discussed market-driven strategy, corporate strategy, business and marketing strategy, markets and competitive space, and strategic market segmentation. The authors examined developing capabilities for continuous learning about markets was presented along with market targeting and strategic positioning, strategic relationships, planning for new products, and strategic brand management. The researchers discussed creating a value-chain strategy, pricing strategy and management, promotion, advertising, and sales promotion strategies. The authors analyzed training a sales force, internet; direct marketing strategies were outlined with designing market-driven organizations, marketing, and strategy implementation plus control.

David (2007) presented an overview of strategic management, the nature of strategic management, the business vision and mission, the external and internal assessment, strategies in action, strategy analysis and choice, implementing strategies, strategy review, evaluation, and control.

Gamble and Thompson (2009) discussed the elements of a company's business strategy. The approaches that make a company's business strategy are deemed as business actions. When businesses respond to market conditions that are constantly changing with external factors and their actions increase sales and market share, it can lead to a competitive advantage. Entering new geographic or product markets and knowing when to exit existing ones is important to the business. Exploring new market opportunities and defending against external threats, plus strengthening market standing though

competitiveness in acquiring, merging, creating alliances or collaborative partnerships with other firms can be advantageous for the firm. Actions which diversify the firm's revenues and earnings by entering new businesses can assist with growth. Strengthening competitive capabilities and correcting competitive weaknesses are strategy actions which assist a firm. Approaches used in managing research and development, production, financing, sales, and marketing create actions which encompass business strategy.

Solomon et al. (2008) explored making marketing value decisions, understanding consumers' value needs, creating the value proposition, communicating the value proposition, and delivering the value proposition in creating strategy.

Stewart (2004) researched the topic of relationship between strategic planning and growth in small businesses in the United States. The researcher conducted a survey of 121 small businesses utilizing a strategic planning and growth model along with a strategic planning activities questionnaire. The author noted a positive correlation between growth and strategic planning in small businesses with conclusions drawn which suggest enhanced planning may drive growth and increased success for small firms.

Verreynne (2006) argued that small businesses, like large businesses, place a differing emphasis on developing strategy and may employ different modes in the development of strategy. The author offered typology of different strategy modes that are most likely to exist in a small firm and hypothesized how the typology relates to performance. Verreynne conducted a study on 477 small

firms, of whom employed fewer than 100 employees, noting that the adaptive, simplistic, participative, and intrapreneurial strategy modes existed, among others, and that the simplistic mode had the strongest relationship with overall firm performance.

Profitable and Unprofitable Strategies

Alsem (2007) detailed information on the strategic marketing planning process, mission, value strategies, and market definition. The author analyzed customer, internal, industry, and competitor analysis, plus analysis of distribution and suppliers. Alsem discussed strategy formulation and the process from analysis to strategy, corporate objectives and strategies, marketing objectives and strategies, objectives and strategies for marketing instruments, and organization and implementation of marketing.

Hawkins et al. (2007) presented information on consumer behavior and marketing strategy, cross-cultural behaviors in consumer behavior, the changing American society in terms of values, demographics and social stratification, families and households, group influence on consumer behavior, learning memory and product positioning. The author explored motivation including personality, and emotion, attitudes and influencing attitudes, self-concept and lifestyle, and situational influences. Hawkins et al. discussed the consumer decision process along with problem recognition, information search, alternative evaluation and selection, outlet selection and purchase, and post-purchase processes, customer satisfaction, and customer commitment.

Kerin and Peterson (2007) provided information on foundations in strategic management, financial aspects of marketing management, marketing decision-making, opportunity analysis, market segmentation, and market targeting. The researchers discussed product and service strategy, brand management, integrated marketing communications strategy, management, marketing channel strategy and management. The authors explored developing pricing strategy and management, marketing strategy and reformulation, and comprehensive marketing programs.

Lehmann and Winer (2005) provided information on marketing planning, defining the competitive set, industry analysis, competitor analysis, and customer analysis. The authors discussed market potential and sales forecasting and developing marketing strategy.

Walker (2007) presented information on strategy, building a competitive advantage, industry analysis, competing over time, strategy execution, vertical integration and outsourcing. The author discussed partnering, competing in global markets, new business development, managing the multi-business firm, governing the firm, and strategic planning and decision making.

Survival Chances

Beaver (2007) conducted a study based on small firm decisions and how they affected survival chances in times of economic downturn. The author noted that small firms who survived, prospered, and grown exhibited shared characteristics. The firms had a solid grip on finances. Beaver explained that business forecasts were carefully examined and compared to the original

business plan checking assumptions about sales and cash flow. The researcher noted that when a credit management system had been implemented, it effectively reduced the amount of money debtors owed. Many had a pricing plan in place and had a strategic view when determining price.

Hisrich et al. (2008) presented information on the entrepreneurial perspective, including the nature and importance of entrepreneurship, the entrepreneurial mind-set, entrepreneurial intentions and corporate entrepreneurship, and international entrepreneurship opportunities. The author discussed creating and starting a venture with creativity, the business idea, opportunity analysis, intellectual property, and other legal issues for the entrepreneur. Hisrich explored how to develop a business plan along with creating and starting the venture, the marketing plan, the organizational plan, and the financial plan. The author presented financing a new venture including sources of capital, informational risk capital, venture capital, and going public plus managing growing and ending the new venture. Hisrich presented developing entrepreneurial strategy along with generating and exploiting new entries, strategies for growth and managing the implications for growth, going global, accessing resources for growth from external sources, and ending the venture.

Simpson, Padmore, Taylor, and Frecknall-Hughes (2006) presented information on how marketing in small-and medium-sized enterprises (SMEs) can increase survival chances. A relationship existed between planning and performance in a study conducted with 253 small businesses in Georgia, USA.

The results indicate that SMEs with more sophisticated planning activities, including a written business plan, showed greater growth in sales. The survival and success were increased when planning measures were in place.

Organizational Competence

Arens (2008) presented information on the evolution of advertising, the economic, social, and regulatory aspects of advertising, the scope of advertising, marketing and consumer behavior, marketing segmentation and the marketing mix, research, marketing and advertising planning, planning media strategy, relationship building, creative strategy, creative execution, producing ads, using print, electronic, digital, interactive and out-of-home media. Arens explored the fact that having an understanding of all advertising elements and how they are integrated into the small business can add to organizational competence.

Past research by Hodges (2007) explored using a numerical measure as a relationship criterion between planning and business success. A study where the author conducted one-on-one interviews with closed-ended questions to determine management perceptions in terms of planning sophistication and the relationship to perceptions and company performance was conducted; sophistication was addressed in the study as being defined as planning, plan covers, knowledge, external/internal considerations, time period, and internal metrics used to measure firm success. The author analyzed measurement and control in terms of goals, objectives, and monitoring frequency. The manager's perception of continuing knowledge of the strategic planning discipline resulted in firms that experienced improved company performance.

Kinicki and Williams (2006) defined entrepreneurship and the risks in pursuit of an opportunity. The authors described an entrepreneur as someone who sees an opportunity. One characteristic entrepreneurs share is a high need for achievement that can be motivated by pursuing moderately difficult goals (Kinicki & Williams, 2006). A strong aspect noted in entrepreneurs was a strong sense of internal locus of control which is the belief that one's destiny can be controlled. High energy and high tolerance for ambiguity were two characteristics noted, along with self-confidence and tolerance for risk.

Wood (2008) created a textbook which is an introduction to marketing planning, analyzing the current situation, understanding markets and customers, planning segmentation, targeting and positioning, planning direction, objectives, and market support. Strategies for developing product, brand, price, and channel logistics, integrated marketing communications, planning performance measurement and implementation and control were presented and discussed and having an understanding would lead to organizational competence in marketing planning.

Knowledge Resources

Ashwin (2006) explored the unconventional guerrilla marketing tactics that were designed to extract maximum exposure and attention with minimal resource use. The author noted that *guerrilla* tactics were increasingly being used by small businesses that have limited marketing budgets along with large businesses that have millions in their marketing budgets. The author noted several key principles

that characterized guerilla marketing discussing its advantages and the marketing methods employed.

Audretsch and Lehmann (2006) completed a study where two strategies which facilitate entrepreneurial access to and absorption of knowledge spillovers that were external in nature and the firm's attraction to managers and directors with an academic background was explored. This study was selected based on how small firms benefit from knowledge spillover and will be used in the discussion on knowledge resources.

Moustaghfir (2008) identified organizational knowledge as a source of competitive advantage. Knowledge, noted as an asset, can have an impact on performance leading to a knowledge-value chain. The author argued that the effective management of knowledge as an asset can increase value in the form of organizational competence. Various forms of knowledge interact, and new processes can result, leading to form the building blocks of a firm's competencies. Consequently, it builds efficiency and effectiveness through routines of business processes and increases value for the firm's products and services.

Summary

A literature review was conducted which separated the information available into various forms including: primary data in various forms, secondary data from published books and journal articles, conference papers, and expert experience among others. Dissertation studies were also explored as a means of research. The research was divided into themes and sub-topics in the areas of

causal and descriptive research. In causal research, the themes of networking, firm resources and sustained competitive advantage, resource disadvantage, competition and cooperation, growth, and business partnerships and alliances were explored. Descriptive research was explored through stakeholders, strategies, profitable and unprofitable strategies, survival chances, organizational competence, and knowledge resources.

CHAPTER 3: METHODOLOGY

Overview

Small business marketing strategy will be explored through business owners who have a consistent knowledge of their product or service and are not considered experts in the field of marketing; such business owners struggle with how to implement strategic planning, a marketing plan, and other elements necessary for success (Day, 2000). More specifically, small businesses struggle due to lack of marketing knowledge that is aimed at understanding specific marketing problems (Freeman, 2000). When small business owners seek help, a struggle exists to understand if the knowledge they have sought out is worthwhile to the success of their business (Day, 2000).

Restatement of the Problem and Purpose

In 2006, there were 649,700 new businesses and 564,900 existing businesses that closed (SBA, 2008a). Nearly 50% of all small businesses close within the first five years (SBA, 2008b). One common reason noted by Dunn & Bradstreet for contributing to a failed business is inadequate marketing or poorly focused and executed marketing (MasterCard, 2008). Lack of marketing knowledge can be considered part of education and training (Simpson et al, 2004; Freeman, 2000). Education and training can lead to or be part of business experience. According to Hisrich (2008), "Although there are many causes of business failure, the most common is insufficient experience" (p.38). The general problem in small business marketing is that business owners have product or service knowledge of what is being offered to customers but are not experts in

the field of marketing and therefore struggle with implementing strategic planning, a marketing plan, and other elements necessary for success (Day, 2000; Kotler, 2004).). The 10 most critical marketing mistakes a small business can make include the following: not sufficiently market-focused and customer-driven, they do not understand target customers or monitor competitors, mismanage relationships with stakeholders, they have difficulty discovering new opportunities, are deficient in marketing planning; product and service policies need tightening, weak brand-building and communications efforts, do not make maximum use of technology, and they are not well organized to carry out marketing (Kotler, 2004). More specifically, small business owners struggle due to lack of marketing knowledge that is aimed at understanding specific marketing problems (Freeman, 2000; Kotler, 2004). Small business owners struggle, because when they seek help, they do not understand if the knowledge they have sought is worthwhile to the success of their business.

Statement of the Research Questions

The researcher explored the process that small businesses pursue in creating marketing strategy for their firm:

- Q1: How does the small business pursue marketing?
- Q2: What types of resource advantages and disadvantages exist for a small business owner?
- Q3: What makes the small business owner competitive?
- Q4: How important are business partnerships and alliances to the small business owner?
- Q5: How does a small business formulate market segment strategy?

Description of Research Design

The method of research consisted of exploratory research in a qualitative case study method obtaining information from a purposeful sample of 20 small business owners, all adults over the age of 18, in the United States. In gathering data, the sources of evidence were gathered from interviews (Yin, 2009). The participants were selected by the researcher to explore marketing strategy efforts in small businesses. Individual depth interviews were conducted, gaining knowledge about how small business owners pursue marketing, why decisions are made, how it relates to marketing strategy, and what influences affect their small business.

The three principles of data collection were used by the researcher including: multiple sources of evidence, creating a case study database, and maintaining a chain of evidence (Yin, 2009).

During the process of coding and creating themes, all codes were created by hand. Eight analysis steps were followed by the researcher including: (a) developed familiarity with the 20 transcripts by listening to the tapes and reading each transcribed interview; (b) created individual thematic code for each transcribed interview; (c) created an individual code descriptor list for each transcribed interview; (d) compared each individual code list with other coded lists creating one final code list; (e) created a theme dictionary; (f) totaled codes; (g) applied codes to themes; (h) summarized the themes across questions (Yin, 2005).

An additional advantage to conducting depth interviews is that the interviewer is considered an expert in the field, and will be understood by the respondents as such (Zikmund, 2003). When a depth interview is conducted, it allows more freedom of expression without the interviewer directing responses which would ultimately bias the data.

The purpose of this case study is to understand the decisions and actions a small business owner takes when pursuing marketing through networking, firm resources and sustained competitive advantage, resource disadvantage, competition and cooperation, growth, business partnerships and alliances, stakeholders, strategies, profitable and unprofitable strategies, survival chances, organizational competence, and knowledge resources.

Networking

When interviewing, the participants were asked what types of networks were available and the quality of the network group including information provided. Other membership advantages were determined. Cost was asked to determine if it was affordable to the small business owner. The small business owners were asked if they attend meetings as a social event and if training was provided or if they have the ability to attend local or national conferences. How many network groups the small business participated in was determined and consisted of formal and informal network groups. The participants were asked if there was cross-over between members of various groups or if each group was distinct.

Firm Resources and Sustained Competitive Advantage

The participants were probed on what types of resources were considered advantages and disadvantages for the small firm. How the owners maintain a sustained competitive advantage was explored from their perception.

Competition

The small business owners were asked to describe how large their competitive market was plus how much of a threat competitors were to them. Competitive edge was explored to determine if a distinct competency, market niche, product differentiation or other exists in the market for the small business.

Growth

The participants were asked to interpret how fast the small business was growing from the time the business was conceptualized until present time according to their interpretation. Growth was determined to explore if it was consistent with plans. The participants were probed to find out their perception on needing growth for survival.

Business Partnerships and Alliances

The small business owners were asked if an alignment had occurred with another business of equal size, smaller, or larger. If alignment had occurred, the participants were probed on whether they were willing to depend financially on the other business for a certain amount or percentage of sales or if the alignment did not necessitate a certain percentage of business, meaning they work together but are financially independent. Dependence was explored to find out if the small business owner was likely to be financially dependent on another business. Trust

was probed and participants were asked how important it was to trust who they align with.

Stakeholders

Determining who the stakeholders are in a small business is an important aspect of making strategy decisions. The participants were asked who the stakeholders were in the business. How the stakeholders would be affected if the business succeeds or fails was asked.

Strategies

The participants were asked who developed the strategies for their small business. They were, also, asked strategy-specific questions including: how were strategies formed; what were strategies based on; when were the strategies formed; why were the strategies formed; what time frame were the strategies for? The strategy questions will be a basis for understanding how strategy affects decisions that were made by the small business.

Profitable and Unprofitable Strategies

The small business owners were asked how they determined if a strategy was profitable. In determining whether or not a strategy is profitable, the participants were asked what measures were used to determine profit. If profit measures were not used, then what determined if the small business strategy was successful?

Survival Chances

The participants were asked their perception on how the small business was, currently, surviving. They were, also, asked what determined if it was

surviving. Further probing determined what measures were used to define surviving. Part of small business strategy was determining when to close the business; therefore, the small business owners were asked what would be the ultimate factor in determining to close the small business.

Organizational Competence

The small business owners were asked what prepared them to own and operate their companies. Whether it was education, experience, a combination of the two, or lack thereof were important in understanding how prepared they were to make strategy decisions. Employee competence was probed to see if the owner was affected by employee marketing or strategy gained knowledge leading to a strategy advantage.

Knowledge Resources

The final questions were centered on how the small business owner sought out marketing knowledge, determined what was valuable, and decided how to apply it to their small business. The small business owners were asked how they sought out marketing knowledge. Where did the small business owner seek out marketing knowledge? When did the small business owner seek out the knowledge? Why did the small business owner seek out the knowledge? What knowledge was available? What was the small business owner's impression of the quality of knowledge available? How did the owner apply marketing knowledge to the firm?

Selection of Participants

All participants in the study were adults over the age of 18 and owned a small business, either individually, or with no more than one other person. The participants were selected by the researcher and pre-screened to include only those who had completed no more than the one required core marketing course in their undergraduate, and/or one required core graduate marketing course. Most academic institutions that are accredited by the Higher Learning Commission have one core marketing course as part of the core curriculum in an undergraduate or graduate business program. Part of the criteria for being selected was that the participants did not have a marketing concentration, emphasis, minor, or major in marketing. The participants could not be employed as a marketing professional either by education or experience. The participants could not have a personal family relationship with the researcher. The researcher contacted the Sarpy County Chamber of Commerce in Papillion, Nebraska and asked for names, and also completed cold-calls to a variety of businesses in the Omaha, Nebraska area. A snowball approach was used whereby selected participants, who were aware of the participant criteria, also recommended possible interviewees who were screened by the researcher (Yin, 2005). A goal of the researcher was to have 20 total participants who were from a variety of fields and who were not all of the same gender. However, it was not a goal of the researcher to have total equality among participant's gender. A total of 44 participants were initially screened, and 22 participants were interviewed. A total

of 20 interviews were available for analysis due to 2 tapes being destroyed due to a faulty tape.

The justification for selecting participants who were not experts in the field of marketing was a reflection on society in general where small business owners may have product or service knowledge but are not experts in the field of marketing (Kotler, 2004). All participants were made aware of the informed consent which follows: research purpose, research procedures, risks, benefits, alternatives, confidentiality, and disclosure of potential conflict of interest, contact information, and withdrawal.

Procedures

The 44 potential participants were initially contacted by phone and screened. Once it was deemed that the individual could participate in the study, a date and time was set to conduct the interview. Prior to the interview, the researcher asked the participants to be in a quiet room with no distractions which was adhered to by all who took place in the study. The participants signed a release form that was returned to the researcher before the interviews took place. All interviews were conducted via telephone with a tape recorder that was plugged into the researcher's phone line. When the interview started, the company number, 1 through 20, was announced by the researcher and participants were reminded that the conversation was recorded and what their rights were. The interviews ranged from 60 to 90 minutes in length. After the interview concluded, each participant's interview was transcribed into a Microsoft Word document.

Risks and Benefits

There were no health-related risks involved in the study. Being involved in the research process may have inadvertently provided benefits to the participants. The small business owners, who were subjects, may have asked the researcher questions about their respective business in terms of strategy and so on. Due to the fact that the researcher had been practicing marketing for over 25 years and is an MBA Marketing professor, some subjects felt inclined to ask a few questions during the interview. When discussing the how and why of a company the conversation did, on occasion, naturally transgress to specifics within the subjects small business and the entrepreneur may have gained knowledge as a result; the knowledge acquired can be viewed as a benefit.

Alternatives

If the participant was not comfortable being taped via a telephone conversation, then the researcher would have conducted the interview in-person at the small business owner's office or the researcher's office. The final location would have been based on which office was more private. A tape recording device was the only device used during interviewing.

Confidentiality

The research participants were informed that any information given including company name was strictly confidential between the researcher and participant. When beginning the interview, the subjects were assigned a number 1 through 20. The identity of the business and code were maintained in the researcher's office in a locked drawer.

Data Processing

A typist was contracted to type the taped interview. The typist signed a confidentiality agreement which stated that all research matters were confidential and any information gained during the process of preparing the typed documents was not to be shared with another individual, corporation, or organization. The typist's job was strictly confined to typing the interviews and none of the research or dissertation study was discussed or analyzed with the researcher. Once the interview had concluded, the typist prepared a document for the researcher within a two-or three-day time frame. These documents were emailed to the researcher's home. Upon verification that all typed documents were received and saved by the researcher, an email was sent from the researcher to the typist requesting that all documents pertaining to the study be deleted and destroyed. The typed interviews were locked in the researcher's desk and the saved typed documents were locked in the researcher's computer only accessed by a code. The research participants were informed of this process.

Disclosure of Potential Conflict of Interest

The researcher had all participants read and sign a conflict of interest agreement. Further, all research participants were chosen at random through their involvement with the Sarpy County Chamber of Commerce through a list provided by the director, cold-called by the researcher, or referred by a potential participant. In order to be considered a candidate, the researcher did not pick a participant based on a personal or professional relationship or based on the need for marketing assistance.

Contact information

The researcher received contact information of the company name, phone number, and address of those being considered for the study. The researcher provided, to the subjects, work and home telephone numbers, work address, and home email. Work email and home address were not disclosed.

Withdrawal

The research participants were made aware that they were free to withdraw at any time during the research process.

Methodological Assumptions, Limitations, and Delimitations

Experience

A goal in selecting participants was having equality among participants in their knowledge of operating a small business and of marketing in general. A variety of ownership ranging from few years of experience to many years of owning a business was the expectation of the total group; however, the final selection was determined by the participants' willingness to be interviewed and that could have ultimately determined experience by default of who agrees to participate.

Relationships

A relationship could have influenced how the small business owner incorporates marketing into the firm and may ultimately have affected the study. During the selection process, all potential participants were screened, but it may have been difficult to analyze each and every relationship that existed that may influence a small business owner in the area of marketing knowledge and

marketing strategy. A goal was to select participants who did not have a personal relationship with the researcher but could have had a professional or casual relationship. Family members of the researcher were excluded from the study.

Small Business Owner

An assumption in the research study was that each participant was an owner of a small business. The ownership of the business was supposed to be either solely, or at most, a partnership with one other person. Potential participants who own part of a business with more than one other person were excluded, as were those who owned a business for investment purposes but did not run the day-to-day operations. If a research participant had served in a management position, in a large business, prior to owning the small business, that person was not excluded but it could have affected the final outcome of the research study.

Gender and age

Research participants were not selected according to gender or age, but that may have ultimately influenced the study. A mixed gender and age population over the age of 18 was a goal of the researcher that was realized. After the initial qualifications were met, and if the participants were not equal in age and gender, or representative of various ages, it would have influenced the study.

Geographical

A limitation to the study was that the majority of participants were selected from the greater Omaha, Nebraska area which could have influenced the study.

Sampling

In gathering data, the sample size was limited to 20 typed interviews from 22 participants, and may have limited the research due to sample size (Trochim, 2001). The researcher used purposeful sampling strategies appropriate for a case study where the data was collected and managed in a systematic process (Yin, 2009). Questions were clearly written and appropriate for the research questions (Yin, 2009). The case study strategies in sampling promoted credibility or truth value (Yin, 2009).

Ethical Assurances

There was a slight risk the participant may have unknowingly disclosed his or her firm's name during the interview and the person performing the transcriptions would have heard this when typing the research data; therefore, a confidentiality agreement was constructed which addressed that any and all information gained during the research process was confidential and could not be shared with an outside party unless deemed by law. The researcher will destroy all data collected after three years.

All research instruments utilized in the case study were covered explicitly under the fair-use doctrine. No reselling of information gained through interviews was attempted by the researcher. The participation from the interviewees was voluntary with the right to withdraw at any time. The participants did understand the procedures for the study, including being taped. Participants did have the right to ask questions and have the opportunity to receive the results of the study. The participants' privacy was respected and participants did understand that they

may have received benefits in the form of gained knowledge regarding marketing which may accrue due to being involved in the study. Lastly, the participants did receive a copy of a signed participant agreement. Because the individuals were the owners of their respective firms, gaining permission from individuals in authority was not a consideration (Creswell, 2003).

CHAPTER 4: FINDINGS

Findings

In the qualitative research study, 20 small business owners were interviewed. Participant demographic information obtained from the participants indicated that all 20 interviewed, or 100%, owned their small business, and all employed at least one other person as noted in Table 1.

Table 1

Participant Demographic Information

Number of participants	20
Own a small business	100%
Employed at least one other person	100%
Type of business	Product = 9, Service = 11
Gender of small business owner	7 Female, 13 Male
Member of a formal network group	18 out of 20, or 90%
Member of an informal network group	20 out of 20, or 100%
Location of small business	All USA; Midwest = 18, East Coast = 1, West Coast = 1

The types of businesses were categorized into product or service businesses with product being represented by nine small business owners and service being represented by 11 owners.

The gender of the owners was 7 female and 13 male. A total of nine females were interviewed, but two of the interviews were lost as the tapes were not transcribed due to a faulty tape. The study represented 35% women and 65% men. Out of the 23 million businesses in 2002, women owned 6.5 million, and 2.7 million were owned equally by men and women (SBAa, 2008). The gender of the participants could influence the study and having an all-male or all-female participant study could bias the results; however, a mixed sample of males and females was the ultimate goal of the researcher and not 100% representation of both genders, as that is not what exists within the United States. The majority of the small business owners interviewed were from the Midwest, with one each on the East and West Coasts. Research does not indicate that there is a difference between how small businesses are operated in various parts of the U.S.; however, having a population that is concentrated in one geographical could be the source of bias.

The participants were asked if they participated in a formal or informal network group, and 18 out of 20, or 90%, indicated they participated in formal networking, where 20 out of 20 stated they participated in informal networking. The small business owners were asked where their small business was located and all were in the United States with one on the East Coast, one on the West Coast, and 18 in the Midwest.

Interviewing Participants

In this qualitative research study, a total of 12 areas were explored which included the following: networking, firm resources and sustained competitive

advantage, resource disadvantage, competition and cooperation, growth, business partnerships and alliances, stakeholders, strategies, profitable and unprofitable strategies, survival chances, organizational competence, and knowledge resources as all are identified in Appendix A Interview Outline.

Networking

When interviewed, the participants were asked what types of networks were available and the quality of the network group, including information provided and other membership advantages. The participants were asked about cost to determine if it was affordable. The small business owners were asked if they attended meetings as a social event, if training was provided or, if they had the ability to attend local or national conferences. The owners were asked how many network groups they were in which consisted of formal and informal groups. The participants were also asked if there was cross-over between members of various groups, or if each group was distinct.

Firm Resources and Sustained Competitive Advantage

The participants were probed on what types of resources were considered advantages and disadvantages for the small firm. How the owners maintaining a sustained competitive advantage was explored.

Competition

The small business owners were asked to describe how large their competitive market was plus how much of a threat competitors were to them. Competitive edge was, also explored to determine if a distinct competency,

market niche, product differentiation, or other competitive advantage existed in the market for the small business owner.

Growth

The participants were asked to interpret how fast the small business was growing from the time the business was conceptualized until present time.

Determining if growth was consistent with plans was explored. The participants were probed if their business needed growth for survival.

Business Partnerships and Alliances

The small business owners were asked if an alignment had occurred with another business of equal size, smaller or larger. If alignment had occurred, the participants were probed on whether they were willing to depend financially on the other business or if the alignment did not necessitate a certain percentage of business meaning they work together but are financially independent.

Dependence was explored to find out if the small business owner were likely to be financially dependent on another business. Trust was probed and participants were asked how important it was in the relationship.

Stakeholders

The participants were asked who the stakeholders were in their small business as it is an important aspect in making strategy decisions. The participants were asked how the stakeholders would be affected if the business succeeded or failed.

Strategies

The participants were asked who developed the marketing strategies for their small business. They were also asked strategy specific questions including how strategies were formed, what are strategies were formed, how they were formed, when they were formed, why they were formed, and within what time frame they were formed? The strategy questions were a basis for understanding how strategy affected decisions being made by the small business owner.

Profitable and Unprofitable Strategies

The small business owners were asked how they determined whether or not a strategy was profitable. In determining profitability, the participants were asked what measures were used to determine profit. If profit measures were not used, then the small business owner was asked what determined if the marketing strategy was successful or not.

Survival Chances

The participants were asked, from their perspective, how the small business was currently surviving. They were also asked what determines if it was surviving. Further probing examined what measures were used to define surviving. Part of small business strategy is determining when to close the business; therefore, the small business owners were asked what would cause them to close the small business.

Organizational Competence

The small business owners were asked what prepared them to own and operate their company. The participants were probed on whether it was

education, experience, a combination, or lack thereof. This information was asked to understand how prepared they were to make strategy decisions. Employee competence was probed to see if the owner was affected by employee marketing knowledge or has a strategic advantage or disadvantage. A strategy advantage from knowledge spillover from the employee to the owner was probed.

Knowledge Resources

The final questions were centered on how the small business owner had sought out marketing knowledge, determined what was valuable, and decided how to apply it to their small business. The small business owners were asked how and where did they seek out marketing knowledge, when did the small business owner seek out the knowledge, why did the small business owner seek out the knowledge, what knowledge was available, what was the small business owner’s impression of the knowledge quality available, and how did the owner apply marketing knowledge to their firm?

Analysis and Evaluation of Findings

A total of 39 codes emerged as outlined in Table 2, out 105 recorded.

Table 2

Identified Codes

Code	Total	Code	Total
Acquaintances	2	Advantage	11

Affordable	2	Alliance	9
Align	10	Association	5
Awareness	2	Background	5
Benefits	2	Beliefs	2
Beneficial	4	Brands	3
Business	48	Business model	5
Business associates	3	Cash flow (capitol)	19
Contacts	3	Competitive	8
Customer	15	Customer service	3
Chamber	25	Clients	5
Costs	2	Collective	4
Collaborate	2	Community	6
Computer	2	Comfortable	2
Competition	17	Competence	4
Company	8	Compete	2
Competitive advantage	13	Competitors	6
Customers	27	Customer service	5
Dependence	9	Diversify	2
Differentiate	4	Education	12
Employees	16	Equipment	2
Evaluate	3	Exposure	3
Experience	30	Financial	12
Friends	14	Family	10

Funds	2	Group	11
Growth	8	Honest	3
Human resource	3	Ideas	5
Important	2	Internet	5
Information	19	Integrity	3
Knowledge	16	Loans	2
Loyalty	5	Market	6
Marketing	14	Members	2
Membership	3	Meetings	4
Money	7	Mistake	2
Networks	8	Networking	48
Niche	22	Organization	12
Opportunity	12	Owner(s)	3
Participate	2	Payback	3
Partnership	13	People	6
Personable	11	Product	4
Product knowledge	2	Profit	9
Quality	3	Realistic	3
Recommended	2	Research	4
Relationship	34	Resources	6
Return	2	Security	2
Sales	5	Seminars	3
Service	30	Small business	10

Specialize	3	Strategy	21
Successful	2	Survive	12
Technology	16	Training	6
Trust	13	Unique	2
Unrealistic	4	Valuable	2
Word-of-mouth	2		

Themes

A total of six themes emerged from the codes recorded and are identified in Table 3, along with the codes within each theme. Selected examples of questions and codes appear in Appendix C, Transcript Coding: Questions and Selected Examples. All 39 codes were put into themes with the most individual codes being in the theme of formulating strategy which ranked at 10 various codes in the theme. The theme marketing ranked second with nine various codes being recorded in the theme. The themes of values and needs followed with eight various codes each. The strength theme was the lowest with six various codes.

In Table 3, the marketing theme represented the largest number of codes. The second highest number of codes was in the theme of strengths. Following was the themes of formulating strategy and values that both ranked equally. The lowest theme was needs. It is interesting how there is one higher percentage at 29 percent, one low percentage at 13 percent and three in the middle with one at 20 and two at 19 percent.

Table 3

Transcript Theme Analysis

Theme:	Codes:
Marketing	Chamber-25, Networking-48, Customers-27, Friends-14, Opportunity-12, Partnership-13, Relationship-34, Small Business-10, and Training-6
Formulating Strategy	Alliance-9, Competition-17, Ideas-5, Internet-5, Information-19, Knowledge-16, Networks-8, Organization-12, Profit-9, and Strategy-21
Strengths	Customers-27, Competitive Advantage-13, Experience-30, Personable-11, Service-30, and Niche-22
Values	Advantages-11, Business-48, Employees-16, Family-10, Group-11, Trust-13, and Survive-12
Needs	Cash Flow-19, Education-12, Financial-12, Growth-6, Technology-16, Marketing-14, and Money-7

As noted in Table 4, marketing received the largest overall total codes, which added up to 189 or 29%. Strengths were second with 133 total codes, or 20%. Formulating strategy and values were equal, with 121 codes each, or 19%. The needs theme ranked last at 88 total codes, or 13% total. Out of all themes identified, the percentages ranged from 13 to 29%, with some notable differences between the lowest and highest, but the middle section has one theme, strengths, at 20%, and two others which were formulating strategy and values at 19%.

Overall, the theme of marketing was the most important to the participants interviewed ranking at 29%. The three themes of strengths at 20%, formulating strategy at 19% and values at 19% were grouped in the middle and almost equally important to the participants. Needs was deemed the least important by the interviewees at 13%. It is noteworthy to emphasize that the participants highly valued marketing at 29%, and almost equally valued three main themes which were strengths at 20%, formulating strategy at 19%, and values at 19%. The theme of needs ranked the lowest at 13%. Table 4 outlines the codes, themes, and values.

In Table 4, the themes are listed with the various codes identified in each of the columns. The theme formulating strategy had the most codes at 10. Marketing was the second highest theme with nine overall codes. The themes of values and needs both had seven codes. The theme of strengths has the least amount of codes at six.

Table 4

Identified Codes, Themes, and Values

Themes					
Marketing	Formulating Strategy	Strengths	Values	Needs	Total
25	9	27	11	19	
48	17	13	48	12	
27	5	30	16	12	
14	5	11	10	8	
12	19	30	11	16	
13	16	22	13	14	
34	8		12	7	
10	12				
6	9				
	21				
189	121	133	121	88	652
29%	19%	20%	19%	13%	100%

Table 5

Findings

Findings	Research Questions
Marketing	Q1: How does the small business pursue marketing? Q4: How important are business partnerships and alliances to the small business owner?
Formulating Strategy	Q3: What makes the small business owner competitive? Q5: How does a small business formulate market segment strategy?
Strengths	Q2: What types of resource advantages and disadvantages exist for a small business owner?
Values	Q4: How important are business partnerships and alliances to the small business owner?
Needs	Q2: What types of resource advantages and disadvantages exist for a small business owner?

Findings

There were five findings in the research study and are indicated in Table 5 along with the research questions. The finding of marketing answered the research questions 1 and 4. The finding of formulating strategy answered questions 3 and 5. The strengths theme answered question 2. The values finding answered question 4. The needs theme answered question 2. Of note is that question 2 was answered by the findings of strengths and needs. Question 4 was answered by the findings of marketing and values.

Finding 1: Marketing

According to the small business owners, marketing is to strive, gain, or accomplish the part of a business which controls the way that goods and services are sold. The small business owners in the qualitative study pursued marketing through networking which was one of the strongest codes identified. Business partnerships and alliances were pursued through a relationship which was identified as the second strongest code. Nine codes emerged under the marketing theme which totaled 189, or 29%, as outlined in Table 3. Marketing was the largest theme to emerge in the study, although most of the participants felt that they did not adequately pursue marketing due to cost, lack of knowledge, or other reasons. However, networking and building relationships was how the small business owners pursued marketing and created business partnerships and alliances.

Networking. All of the small business owners interviewed pursued marketing through networking, either formal or informal, which was the largest

code and represented the most significant aspect of what marketing meant to the small business. Networking was accomplished formally by joining either a Chamber of Commerce or a professional organization and meeting new individuals. Some of the professional organizations were specifically career-oriented, and others were well-known and established. The formal networking groups were an avenue to meet other business owners and utilize each others' products/services if applicable. It was a means for the small business owner to let others know about their company, product and/or service in hopes of referrals.

The informal networking was established through contacts, either business or personal, with another person who had a similar interest in the business; for example, an architect established an informal network with a contractor. Although they each worked independently from one another, they shared an informal network in understanding the other person's business. Once the networking relationship was established, each could refer clients to the other. Although no formal networking or legal relationship existed, each person benefited from the informal networking.

Relationships. Within the realm of marketing and networking, it was deemed very important to the small businesses that they build relationships, and life-long associations, within the network groups, either informal or formal in nature. The owners were very committed to these relationships and often referred to them as friends and partnerships even if an informal partnership were present. Most of the small businesses interviewed did not want to enter into a formal legal partnership and did not want their small business to be dependent

on another company financially even in the smallest form. If the financial dependence were minimal to great, the small business owner did not desire to enter into such an agreement.

The informal or formal networking relationships consisted of each owner helping another person working together on a mutual project, which was regarded as an opportunity for the small business owner. Trust in the informal or formal partnership was considered paramount as who they worked with was part of a relationship and ultimately more than an associate. The informal partnership relationship was regarded as a friendship by the small business owner.

Customers. A strong consideration in the marketing theme was that customers were considered significant. The importance of the relationship went beyond just making a quick sale, but, rather, the small business owner fully understood the concept of building customer life-time (CLV) value and what that meant to the success of their small business. Although the technical definition and equation of a customer life-time value was not stated or discussed by the small business owner, the ultimate understanding of what it meant in terms of long-term financial importance was fully understood. The small business owner knew that a life-time customer was valuable and therefore had much regard for the relationship. There is more profit long-term in keeping a customer for life, and the small business owners understood this concept. If the small business owner knew the lump-sum dollar value of a customer relationship, the CLV sets the upper bound for how much a small business could spend to attract and retain a customer. As defined by Kerin and Peterson (2007):

The CLV requires three pieces of information: (1) the per-period (month or year) cash margin per customer (\$M), defined as sales revenue minus variable costs and other traceable cash expenditures necessary to keep the customer; (2) the retention rate (r), defined as the per-period probability that the customer will be retained, and (3) the interest rate (i) used for discounting future cash flows. A formula for calculating CLV, assuming a constant per-period margin, a constant per-period retention rate, and an infinite time horizon, can be written as follows: Customer Lifetime Value = $\$M [1/1+i-r]$. (p. 45)

During the interview process, the small business owners noted that they attended Chamber of Commerce meetings which consisted of a networking opportunity and the ability to receive monthly training on various business topics.

Chamber. Many of the small businesses interviewed were members of a Chamber of Commerce and considered their membership to be an opportunity to network. It also offered monthly training sessions which were not as valued as the basic networking function. The participants were primarily there to network with other small business owners.

Training. The small business owners were probed on what type of training was available to them and considered within the realm of what they could pursue. Most mentioned Chamber of Commerce or trade-related training as being something they could pursue. When asked what training was pursued, most mentioned Chamber of Commerce training. The knowledge contained in the sessions was often referred to as above average to excellent in terms of

knowledge available, and price was considered affordable. As a member of the Chamber, most attended some sessions throughout the year and considered the training a membership benefit. Available trade-related training was often viewed as higher in cost and when conferences were out-of-town which involved a higher output of cash not always deemed pertinent by the small business owner.

Finding 2: Formulating strategy

To the small business owner, formulating strategy means preparing a plan of success to the small business. The participants considered information and knowledge a source to assist them in being competitive. The small business owners actively sought-out information and knowledge, to help them be competitive, on a continuous basis. The small business owner develops market segment strategy based on studying the competition. Information and knowledge was attained from the organizations and networks that the owners were associated with.

A total of 10 codes emerged which totaled 121 or 19%. Developing strategy was important to the small business owner and when deciding, the how, what, where, when, and why competition was paramount. Knowing some of the basic functions of competitors in regards to the marketing mix, product, place, promotion, and price was analyzed by the small business owner. Competitors were used as a gauge in measuring and ultimately deciding on the small businesses marketing mix.

Strategy. When developing strategy, 19 out of 20 participants created strategies for a short time frame; most expressed six months as the average time

frame for developing and implementing a strategy. The knowledge of long-term strategy was only mentioned by two participants, and overall it was not a consideration of the small businesses interviewed. Most of the owners interviewed tried something for six months, and if it did not work, they stopped and developed a new strategy. No long-term measures were in place, nor were long-term goals developed formally by the small business. The general attitude among the small business owners was that sales were needed in the immediate future; therefore, planning had to be for short-term. What was surprising was that among the participants, there was a wide-range in years of ownership or experience ranging from seven months to 23 years, but yet even after owning a small business for a lengthy time-frame strategy was still developed for the short-term, and long-term strategy planning was not really considered.

Information. Many of the participants interviewed commented on how they had access to information that would assist them with their small business. Most of the interviewees considered the information available to them to be very good to excellent in helping them with their business. Information was sought-out through professional associations, informal or formal networking, books, university classes, and other areas. Information, or knowledge gained, was also referred to in earning a degree in the particular field the owner was practicing, a degree that related to an aspect of the business, experience in the field they practiced, or experience in running a small business. Most owners were open to learning new information that would assist them with developing strategy for their business.

Organization. It was deemed important by many of the small business owners to be part of an organization. The participants had an overwhelming belief that operating a business without the assistance of others through an organization was not a practice they would employ. If the small business owners belonged to an organization, it was part of building their business and collectively small business owners could be more successful if they worked together rather than each individually apart. Belonging to an organization was part of formulating strategy in the sense that it was an action pursued for the benefit of the small business.

Competition. The small business owners commented during the interview process that their competitive market averaged from small to very large. Most considered their real competitive market to be within the confines of the city or area they were located, depending on the type of business. Some businesses had a farther reach, and the competitive market was the entire city where others had a smaller geographical area and were limited to an area of the city, they were located in. The business itself defined who was a competitor. In discussing and analyzing who were specific competitors, the concept of competitor analysis was somewhat understood by all interviewed; however, very few had completed, either mentally or on paper, the process of identifying key competitors, assessing their objectives, strategies, strengths, weaknesses, and reaction patterns thus selecting competitors to attack or avoid. The overall consensus was that the small business owners were going to provide a superior product and/or service, and the value gained in the customer relationship would outweigh that of a

competitor. This was further supported by many owners expressing that they had a competitive advantage by offering a niche product and/or service or having a distinct competency or product and/or service differentiation which was part of formulating strategy.

Knowledge. An area of consideration, for the small business owners, was seeking out information and marketing knowledge when the owner needed or desired additional assistance in an area they did not have knowledge of. The small business owner would follow the advice of someone trusted such as an alliance, informal business partnership, network, or friend. Although most chose to seek out marketing knowledge through a personal contact first, some would seek out knowledge through secondary non-personal measures such as studying competitors, reading a book, taking a class at a local university or searching the internet. In judging the quality of the information presented to them, most considered the knowledge received to be helpful to their business. In determining how to apply knowledge, most would decide to make decisions based on their interpretation of source credibility, judged based on a gut instinct, or ask for assistance from a known trusted source. The action of applying knowledge to the small firm was a strategy tactic.

Alliance. Trust in all relationships was of paramount concern for the small business owner but was not extended to forming alliances where the small business owner would depend on another business for income. In some cases, a small alliance was formed, but if the alliance were to end, it would not adversely affect the small business, so the risk was considered very low. The risk factor in

starting a small business and succeeding is great, but the owners were not willing to expand the risk factor to include an alliance with a business that was smaller, equal, or larger in size. The owners did not want to risk their small business by having a certain amount of their income be dependent on anyone but themselves. Alliances were in the form of working with another business for mutual gain, but each was not independent and exclusive when working together for mutual gain or profit.

Profit. Profit scored very low in comparison to the other codes and overall was not a central topic of conversation during the interviews. Most businesses discussed profit in terms of staying in business or paying their employees. Starting the small business and staying in business were discussed at length, but profit was a secondary consideration and almost looming in the background as the owners knew it existed, but the business itself, customers, competition, and continuing were the topics of discussion and not how much profit the business was making. Most did not regard their small business as an opportunity for profit maximization but rather a way of life where they could take their ideas and turn it into a business. New ideas were pursued, expressed, and verbally tested through interactions with other small business owners. The thoughts and feelings of others would influence how the small business owner would apply and implement the ideas in their respective business.

Finding 3: Strengths

To the small business owner, strengths were identified as attributes of the small business. An advantage the small business owner indicated the most was

experience which came in the form of running a business, in general, or experience with the product or service being offered in the market. Customers were considered a source of strength due to the attention and service the small business owner put towards each one. The small business owners, even if in a transactional relationship, put great care into providing excellent service thus making the customers a source of strength and an advantage. The disadvantages are outlined in finding five. Six total codes were identified, which totaled 133, or 20%. Among the codes, experience and service were equal. The small business owner considered experience to be past experience working within the same industry, experience running a business, and/or experience with a similar product/service.

Experience. The interviewees commented that experience was a key attribute in running their small business. Experience in the form of education where it was required as part of the business was judged as crucial. Some considered past work-related situations part of experience because similar situations were present or it was the same field. Having experience with the same or similar product or service knowledge was regarded as being an important aspect in experience. Owning another business, even if not related, was estimated as part of experience. Even if product/service knowledge was missing, the experience in running a business was deemed an important part of experience and strength for the small business owner.

Service. The act of service was deemed important to the small business. If it was a product-based small business, the interaction with customers was

considered part of service. The continued success of the small business was based on the knowledge that excellent customer service would result in frequency for the short and long-term business and result in additional sales. Providing excellent customer service was linked to strategy because it was a tool for the small business owner to receive referrals, and the owners recognized the importance of treating customers well in order to build business. It went beyond just marketing their small business and was essentially part of strategy as it was used as a tool to gain more customers and keep present customers for life.

Customers. The small business owners had a very high regard for customers and they were the ultimate consideration for owners. The small business owners realized that their customers were vital to the continued success of the business. Customers were highly regarded, and the small business owner valued the person and not just the exchange process. The goal with all the small business owners was to develop long-term customers or provide an exceptional product or service which would be referred to new potential customers.

Personable. Part of providing good customer service was being personable with customers. The small business owners commented that being friendly to customers would provide an overall good experience and be a gateway into developing continued business. Being personable was transferred by the owners to the employees and was a trait that was recognized as being superior in providing quality customer service. Treating customers in a personable way was also deemed a competitive advantage.

Competitive advantage. Having a competitive advantage was deemed a source of strength for the small businesses because it was an asset to them. The fact that their product, service, or combination of both was beyond what the competition offered in the market was a realized goal each had achieved. There was much pride in this achievement, which was from their perspective, but it was not a source of conceit; rather, it was a goal that they sought and attained.

Niche. Many of the small businesses noted having a niche in the market which proved to be strength for their business. Some small businesses chose to start a small business because it was different from what was offered and would be a niche. The other small business that did not start a niche business still considered their product, service, or combination to be superior and therefore referred to it as a niche.

Finding 4: Values

According to the small business owner, values were the principles, standards, or quality, which guide human actions. The small business owners considered their small business to be the strongest value in creating a partnership and alliance. The pride of ownership was prevalent in the participants and it was based on having a great business that others would want to form partnerships and alliances with. Trust in the partnerships and alliances was paramount and without it, the owners did not want to form a partnership or alliance. A total of 121 codes were documented which accounted for 19% of the total. The highest codes were business, employees, trust, survive, advantage, and group.

Business. The code that had the largest amount was business, which was considered extremely important to the small business owner. Owning their own business and being completely responsible for it was a value to the owners and had a big impact on their business life. Many of the participants spoke of how much it meant to them to have their own small business, and quite a few commented that this was not the first business they started. Some owners spoke of something that changed their life and that is why they decided to own their own business.

Employees. Small business owners considered their employees as important to their continued success. Having and retaining great employees was very important and when most small business owners spoke of their employees referred to them as above average and excellent. Most felt they had an advantage through their employees. Some of the owners had family members as employees and commented on how devoted they were to the business.

Trust. A value all the business owners spoke of was trust and they deemed it as crucial in interacting with customers, suppliers, informal alliances, and other relationships that existed. Since trust was valued, it became paramount in making decisions. If the small business owner could trust who they were working with whether an informal alliance, a customer, or others, the relationship would continue into the future; if trust did were not present, the small business owner did not want to continue the relationship. Only one participant did not have trust in a relationship but it was mandated through a contract with a

parent company and out of the small business owner's control; however, this still bothered the owner who desired a trusting relationship.

Survive. The small business owner deemed survival of the small business as important. All small business owners commented that they had a good-to-excellent chance of surviving. Surviving had various measures, and at the lowest it meant the ability to meet immediate expenses such as rent and payroll. Others commented that surviving meant providing a good living. Most spoke about surviving and only closing the small business if they could not pay immediate expenses or take out a loan to meet immediate expenses for an extended period of a few months.

Group. The small business owners valued belonging to a group. It was through the group associations that relationships and trust were formed and ultimately friendships resulted. Most owners believed that collectively they could accomplish more being in a group than by operating solely on their own with no outside assistance from a group. Being associated with a group or various groups was a source of strength for the small business owner and one they valued.

Advantage. During the interview process, many small business owners expressed that they had an advantage in the market, and it was part of their principles, standards, or quality of product and/or service which is part of value. Products and service were believed to be superior. Even if the product was comparable to a like product, then service was noted as being superior adding an advantage and part of their belief system.

Finding 5: Needs

Elements considered important to the small business for future success were noted as needs. The resource advantages were addressed in finding three. The small business owners considered cash flow as the biggest resource disadvantage along with technology and marketing. A total of 88 codes, or 13%, were documented. Overall, needs scored the lowest percentage and are a reflection of how the small business views it as not the most important to the continued success of pursuing marketing.

Cash flow. The owners ranked cash flow as the highest need among the small business owners, and money was also referred to as well which fell into the same category. Although there was a difference in referring to cash flow and money, both had the same meaning and that was of frugality. Most of the small businesses sensed that cash flow was important and that money was needed to facilitate it. When referring to finances, most small business owners discussed the needs of either desiring or having their business depend on their own finances and not being supported by outside sources.

Technology. The participants ranked technology second and many considered it to be expensive and difficult to maintain. Many small business owners would invest in technology but not continuously update unless the business depended on it.

Marketing. From the participant's standpoint, marketing was not being properly pursued by the small business owner. Most viewed marketing as another expense that would be incurred and with little knowledge about how to

approach, manage, implement, or evaluate marketing initiatives; the small business owners did not pursue it other than through networking and developing relationships which they felt comfortable with.

Education. The topic of education had mixed results as well, with some owners relying on it to run their small business where others did not. Business owners mentioned education as important when it was a requirement in order to function such as earning a bachelor's degree in engineering to own an engineering small business. There were other exceptions, but experience was usually mentioned as being superior to education from the owner's perspective.

Growth. The interviewees analyzed growth, and it was a mixture consistent with plans, either behind or ahead of their original plan. Although no formal plan was mentioned consistently, there was an overall perception of where the small business owner wanted to be and where the owner was on the growth continuum. When interviewing the participants, needing growth for survival was also a mixture of responses in that some owners needed continued growth in order to survive where other small business owners did not.

Summary

Five themes emerged from the in-depth interviews: marketing, formulating strategy, strengths, values, and needs. The research questions along with the summarized findings follow.

Research questions:

Q1: How does the small business pursue marketing?

Q4: How important are business partnerships and alliances to the small business owner?

The theme of marketing addressed the how and why small business owners pursue marketing which was through networking and attending networking events such as chamber and other events. Business partnerships and alliances were formed through the networking events, but also through customers, friends, and other business acquaintances. The small business owners utilized a collective process that more people equal better opportunities. Although the owners were adept at networking and forming business partnerships and alliances, the owners thought their marketing abilities were lacking or non-existent. For the most part, the owners did not comprehend that networking and forming business partnerships, and alliances were a form of marketing.

Research questions:

Q3: What makes the small business owner competitive?

Q5: How does a small business formulate market segment strategy?

The formulating strategy theme addressed what makes the small business owner competitive and how the small business formulates market segment strategy. Information, that was shared among networks, along with studying and understanding competitors, were deemed as a sources of competitiveness. The participants would study their competition and often make decisions based on what had been successful for another small business.

Q2: What types of resource advantages and disadvantages exist for a small business owner?

The strengths theme evolved from resource advantages and the needs theme emerged from resource disadvantages. Experience in running a business, or experience with the product or service being offered in the market, was noted as a source of strength. Other strengths included offering excellent customer service and the devoted customers that followed. The respondents noted that having a personable staff was also a resource advantage. Disadvantages were associated with the needs theme and cash flow was the largest code. Technology was noted as being a resource disadvantage as was marketing. It was an assumption among the small business owners that they did not undertake marketing and it was a disadvantage. The participants did not consider networking and forming business partnerships and alliances as marketing when, in fact, they are a form of marketing.

Q4: How important are business partnerships and alliances to the small business owner?

The values theme emerged through the business partnership and alliances question. The participants considered other businesses as a source of value and trust was paramount in the relationship. What was most interesting about this question was that although the small business owners were willing to assume a great deal of risk in starting and continuing a small business, they were not willing to extend risk in financially associating their company with another small, medium, or large firm. The small business owners would collaborate with

another firm but wanted all financial endeavors to be separate. Even when the finances were separate, if there was not trust in the partnership or alliance, the small business owner did not want to align with the other business.

CHAPTER 5: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

There is only minimal research that focuses specifically on exploring marketing strategies for the small business. The literature available focuses on the specific topics of networking, firm resources, and sustained competitive advantage, resource disadvantage, competition and cooperation, growth, business partnerships and alliances, stakeholders, strategies, profitable and unprofitable strategies, survival chances, organizational competence, and knowledge resources (Bovee, Thill, & Mescon, 2007; Griffin & Ebert, 2006).

A gap exists in the literature between recommending what a small business owner should do to be successful and asking the how and why of what they actually do when approaching strategy. In the area of networking, research exists that addresses increasing firm performance but how and why a small business owner networks is not available. Networking is the main function of marketing for the small business owner and assists in developing strategy through shared interactions. Exchanging ideas of what worked and what did not is pivotal for the small business owner.

Networking

A research study conducted by Hite and Hesterly (2001) on networking used cohesive networks which contained socially embedded ties versus sparse networks that were abundant in structural holes which were more advantageous to the success of a new firm. Overall, the authors suggested that both were

conducive to increasing firm performance when aligned properly with the firm's challenges in resources.

Street and Cameron (2007) discussed the relationships that small business owners have with external organizations which have the potential to assist in business development, growth, and survival. A longitudinal study was presented which encompassed the time from 1990 to 2002. Business literature as it related to external relationships including organizational partnerships, networks, and alliances were reviewed and explored by the authors. The external relationships a small business formed was a primary focus and underlined the vital importance in assisting the firm towards increased success and profitability.

Firm Resources and Sustained Competitive Advantage

A paper developed by Hoffman (2000) was presented where the author examined the body of literature as it related to the long-term success of firms and sustainable competitive advantage (SCA). The author addressed the origins of SCA and discussed how it related to marketing strategy. The model presented linked several concepts that were established in the literature relating to relationship marketing and applied it in a network environment with specific propositions including: network identity as an antecedent of trust, communication as an antecedent of both trust and organizational learning, commitment was the result of both trust and organizational learning, and both trust and commitment result in SCA.

Harris (2000) researched advertising and sustaining a competitive advantage in a small business; theory provided a basis to determine the extent

which small firms develop a strategic advantage and how the role of advertising guides the strategic planning process behavior. Surveys were sent to a population of 76 to determine whether there is a relationship between advertising and the success of the firm. Recommendations for incorporating advertising into the strategic planning process were provided with notations that a true measurement may be more effective when starting in the beginning stages of advertising.

Resource Disadvantage

Dyer (2006) examined the family effect on firm performance and discussed human capital as it relates to firm talent. Due to the restricted nature of talent pool in a family business, it may be an inhibitor to having qualified personnel to successfully operate a business. When incompetent family members are placed in key positions, firm performance can be jeopardized, leading to a competitive disadvantage. Family connections may be an inhibitor for a firm in utilizing and developing management talent placing it at a human capital competitive disadvantage.

Competition and Cooperation

Czinkota and Kotabe (2001) presented an overview of marketing, marketing planning, understanding the environment and the competition, understanding the buyer, marketing research and information, and estimating the market demand. Market segmentation was discussed, along with positioning and branding, product and service decisions, new products, pricing decisions, distribution, and supply chain management. Designing effective promotion and

advertising strategies were presented with direct marketing, sales promotion, and public relations, selling and sales management, and the future of marketing.

Growth

Cassar and Gibson (2007) used a longitudinal study to survey the rationality of revenue forecasts among small firms. The authors dismissed the fact that revenue forecasts made by the small firms are optimistic and found conversely that the forecasts were too extreme and generally over-extrapolate the previous growth. The researchers discussed data that was consistent with overconfidence biases and heuristics that influenced a revenue forecast made by small firms.

Business Partnerships and Alliances

Gamble and Thompson Jr. (2009) presented information on how business partnerships and alliances can add to a firm's collection of resources and competencies. From 1996 through 2003, nearly 68,000 US firms noted alliances. The authors outlined five factors as making an alliance versus a business arrangement including:

1. It is critical to the company's achievement of an important objective.
2. It helps build, sustain, or enhance a core competence or competitive advantage.
3. It helps block a competitive threat.
4. It helps open up important new market opportunities.
5. It mitigates a significant risk to a company's business (Gamble & Thompson, 2008, p. 51).

Stakeholders

Ketchen and Eisner (2008) outlined stakeholders as anyone who has a vested interest in the company's success including owners, employees, customers, and suppliers among others depending on the business. When a business operates, it does not do so independently, and the people and firms it interacts with become integrated into the business; therefore, continued operation and success will affect stakeholders, as will the business closing.

Strategies

Gamble and Thompson (2009) discuss the elements of a company's business strategy. The approaches that make a company's business strategy are deemed as business actions. When business actions increase sales and market share responding to market conditions that are constantly changing over external environmental marketing factors, it can lead to a competitive advantage. Entering new geographic or product markets and knowing when to exit existing ones is important to the business. Exploring new market opportunities and defending against external threats plus strengthening market standing through competitiveness in acquiring, merging, creating alliances or collaborative partnerships with other firms can be advantageous for the firm. Actions which diversify the firm's revenues and earnings by entering new businesses can assist with growth. Strengthening competitive capabilities and correcting competitive weaknesses are strategy actions which assist a firm. Approaches used in managing research and development, production, financing, sales, and marketing create actions which encompass business strategy.

Profitable and Unprofitable Strategies

Walker (2007) presented information on strategy, building a competitive advantage, industry analysis, competing over time, strategy execution, vertical integration and outsourcing. The author discussed partnering, competing in global markets, new business development, managing the multi-business firm, governing the firm, and strategic planning and decision making.

Survival Chances

Beaver (2007) conducted a study based on small firm decisions and how they affected survival chances in times of economic downturn. The author noted that small firms who survived, prospered, and grown exhibited shared characteristics. The firms had a solid grip on finances. Beaver explained that business forecasts were carefully examined and compared to the original business plan checking assumptions about sales and cash flow. The researcher noted that when a credit management system had been implemented, it effectively reduced the amount of money debtors owed. Many had a pricing plan in place and had a strategic view when determining price.

Organizational Competence

Past research by Hodges (2007) explored using a numerical measure as a relationship criterion between planning and business success. A study where the author conducted one-on-one interviews with closed-ended questions to determine management perceptions in terms of planning sophistication and the relationship to perceptions and company performance was conducted; sophistication was addressed in the study as being defined as planning, plan

covers, knowledge, external/internal considerations, time period, and internal metrics used to measure firm success. The author analyzed measurement and control in terms of goals, objectives, and monitoring frequency. The manager's perception of continuing knowledge of the strategic planning discipline resulted in firms that experienced improved company performance.

Knowledge Resources

Audretsch and Lehmann (2006) completed a study where two strategies which facilitate entrepreneurial access to and absorption of knowledge spillovers that were external in nature and the firm's attraction to managers and directors with an academic background was explored. This study was selected based on how small firms benefit from knowledge spillover and will be used in the discussion on knowledge resources.

Moustaghfir (2008) identified organizational knowledge as a source of competitive advantage. Knowledge, noted as an asset, can have an impact on performance leading to a knowledge-value chain. The author argues that the effective management of knowledge as an asset can increase value in the form of organizational competence. Various forms of knowledge interact, and new processes can result, leading to form the building blocks of a firm's competencies. Consequently, it builds efficiency and effectiveness through routines of business processes and increases value for the firm's products.

Description of Research Design

The method of research consisted of an exploratory research in a case study method obtaining information from a purposive sample of twenty small

business owners, who were adults over the age of 18, selected by the researcher to explore small business marketing efforts; in-depth interviews, gaining knowledge on the how the owners pursue marketing, why decisions are made, and how strategy is formed for their respective firms. The viability of this approach can be affirmed through a qualitative exploratory study (Lupinacci, 1996).

Summary of the Major Findings

Five themes emerged from the in-depth interviews: which were marketing, formulating strategy, strengths, values, and needs. The small business owners identified marketing as the most important, and although they did not feel they were marketing, all owners were involved in informal or formal networking and building long-term relationships, which is part of marketing. The themes of formulating strategy, strengths, and values were almost all equally important. The theme of needs ranked the lowest and was not considered as the most important factor. Although cash flow, finances, and money were all somewhat related, the owners did not consider them of importance in regards to the future success of their small business. One significant finding is that small business owners formulate strategy for six months or less which does not include long-range planning.

Conclusions

In 2006, there were 649,700 new businesses and 564,900 businesses that closed (SBA, 2008a). Nearly 50% of all small businesses close within the first five years (SBA, 2008b). One common reason noted by Dunn & Bradstreet for

contributing to a failed business is inadequate marketing or poorly focused and executed marketing (MasterCard, 2008). Lack of marketing knowledge can be considered part of education and training (Simpson et al, 2004; Freeman, 2000). Education and training can lead to or be part of business experience. According to Hisrich (2008), "Although there are many causes of business failure, the most common is insufficient experience" (p.38).

The general problem in small business marketing is that business owners have product or service knowledge of what is being offered to customers but are not experts in the field of marketing and therefore struggle with implementing strategic planning, a marketing plan, and other elements necessary for success (Day, 2000; Kotler, 2004). The ten most critical marketing mistakes a small business can make include the following: not sufficiently market-focused and customer-driven, they do not understand target customers or monitor competitors, mismanage relationships with stakeholders, they have difficulty discovering new opportunities, are deficient in marketing planning; product and service policies need tightening, weak brand-building and communications efforts, do not make maximum use of technology, and they are not well organized to carry out marketing (Kotler, 2004). More specifically, small businesses struggle due to lack of marketing knowledge that is aimed at understanding specific marketing problems (Freeman, 2000; Kotler, 2004). Small businesses struggle, because when they seek help, they do not understand if the knowledge they have sought is worthwhile to the success of their business. The

focus of this qualitative case study focused on exploring marketing strategies for the small business.

Recommendations

Marketing Education

Many of the small business owners received continuing education through their area Chamber of Commerce, although many alluded to the fact that the primary reason for membership was networking. Many Chamber of Commerce meetings consist of learning sessions that are inexpensive in nature and provide an opportunity for the small business owner to gain knowledge on a particular subject. However, the knowledge that is available to the small business owner needs to be analyzed for effectiveness. The programming and content need to be assessed to see if it is meeting the goals of the community which it serves, and further research should be conducted in this area. As represented in Table 4, a total of 30 small business owners were asked during two separate training sessions at the Greater Omaha Chamber of Commerce and the Bellevue Chamber of Commerce, both in Nebraska, what marketing topics they were interested in for future training sessions which appears in Appendix E.

Training

The small business owners were willing to be trained and pursued training through professional organizations including the area Chamber of Commerce. During the interview process, many regarded the training as being very good to excellent, but further inquiry about who was conducting the training and the skill or knowledge level of the trainer was unknown by many of the participants. As

with many organizations, the training sessions are run by volunteers who may or may not have the skills to design a training program that is truly effective for small business owners. A recommendation for organizations and Chambers is to have certified trainers or academic professionals chair, plan, and participate in training that is offered to small businesses.

Competition

An area of training for the small business owner is understanding competition and competitive analysis. The small business owners need to comprehend how to assess competitors and create a plan of action. The owners need knowledge of developing strategies beyond a six-month time frame and integrate long-term strategies as part of an overall strategic plan. The owners need knowledge of creating a marketing plan, developing realistic strategies, controlling measures, and evaluating effectiveness.

Business Partnerships and Alliances

Further research needs to be conducted on why small businesses are not willing to enter into an alliance where they are financially dependent upon another business. Risk is a factor in owning a small business, but yet the owners were not willing to extend risk to a relationship and be financially dependent upon another business. Trust was paramount in all relationships and an integral part of conducting business but yet it was not extended to a second party when finances were shared. Further research needs to explore why small business owners will not enter into financial partnerships and alliances with other firms.

Strategies

During the interview process, most participants discussed formulating strategy for a time frame of six months or less. The consensus was that the results of the strategy would be evident by that time. Research needs to be conducted to find out why small business owners only plan for six months or less. Research should explore what effects short-term and long-range planning can have on the small business owner. Future research should be explored on how a small business owner creates long-term strategic planning and the affects of revenue and longevity.

Knowledge Resources

Future research should explore what knowledge sources are available to a small business owner and if the knowledge sought assists the small business owner in making sound marketing decisions for the business. Conducting research to find out where and when the owners seek out knowledge is pertinent to the study of developing strategy. Researching why the owners seek out knowledge and what types of sources are available should be explored.

Networking

Research should explore networking and how it can be the primary, and only, source of marketing for the small business owner. Research should focus on why small business owners pursue networking, what advantages exist within the network groups, what influence the network group has on members, plus when an owner joins, and abandons the group.

Women Entrepreneurs

Future research should be conducted on women entrepreneurs and owning a small business. Women represent slightly more than one-third of all entrepreneurial activity (Allen, Elam, Langowitz, & Dean, 2008). Between 1997 and 2002, firms that were owned by women increased by 19.8%, while all firms in the U.S. grew by seven percent (Score, 2008). In 2002, women owned 6.5 million businesses that generated \$940.8 billion in revenues (SBAa, 2008). Women entrepreneurs employed 7.1 million workers and had payroll of \$173.1 billion (SBAa, 2008). There are various challenges facing women entrepreneurs such as access to credit, capital and equity, gender discrimination and stereotyping, dual career-family pressures and lack of equal opportunities in certain industries (Score 2008; Wolfe, 2008).

Social Capital

Since small business owners engage in informal and formal networking as an integral part of marketing, social capital should be studied further. Social capital is complex and involves connections, influence, reputation, accomplishments, reciprocity, and access. Through relationships, access to ideas, resources, and the potential for future access to further resources is central to those who engage in building social capital. Bridging and bonding capital can be part of social capital and can provide opportunities to connect to various industries and the depth of closeness in connections. Relationships are considered pivotal to the small business owner, so building, leveraging, and

maintaining social capital would be symbiotic in assisting small business owners and should be studied further.

REFERENCES

- Aaker, D.A., Kumar, V., & Day, G.S. (2004). *Marketing research* (8th ed.). New Jersey: John Wiley & Sons.
- Alsem, K. J. (2007). *Strategic marketing an applied perspective* (1st ed.). New York: McGraw-Hill Irwin.
- American Marketing Association (n.d.) Marketing definitions. Retrieved August 20, 2007 from <http://www.marketingpower.com/content4620.php>
- Arens, W. F., Weigold, M. F., & Arens, C. (2008). *Contemporary advertising* (11th ed.). New York: McGraw-Hill Irwin.
- Ashwin, A. (2006). Guerrilla marketing. *Teaching Business & Economics*, 10(3), 5-8. Retrieved June 30, 2007, from ProQuest Database.
- Audretsch, D. B. & Lehmann, E. (2006). Entrepreneurial access and absorption of knowledge spillovers: Strategic board and managerial composition for competitive advantage. *Journal of Small Business Management*, 44(2), 155-167. Retrieved June 23, 2007, from ProQuest Database.
- Alvarez, S. A., & Barney, J. B. (2001). How entrepreneurial firms can benefit from alliances with large partners, *Academy of Management Executive*, 15(1), 139-148. Retrieved May 15, 2007, from ProQuest Database.
- Beaver, G. (2007). The strategy payoff for smaller enterprises. *The Journal of Business Strategy*, 28(1), 1-12. Retrieved July 8, 2008 from ProQuest Database.
- Bovee, C., Thill, J., & Mescon, M. (2007). *Excellence in business* (3rd ed.). New York: Pearson Prentice Hall.
- Cardin (2007). Opening statement on improving the ability of everyone to access federal contracting opportunities. *U.S. senate committee on small business & entrepreneurship*. Retrieved June 9, 2008 from http://sbc.senate.gov/topic_record.cfm?id=286445&
- Cassar, G. & Gibson, B. (2007). Forecast rationality in small firms. *Journal of Small Business Management*, 45(3), 283-303. Retrieved June 20, 2007, from ProQuest Database.
- Cravens, D. W. & Piercy, N. F. (2006). *Strategic marketing* (8th ed.). New York: McGraw-Hill Irwin.

- Creswell, J.W. (2008). *Educational research* (3rd ed.). New Jersey: Pearson Merrill Prentice Hall.
- Creswell, J.W. (2003). *Research design* (2nd ed.). California: Sage Publications.
- Czinkota, M. R., & Kotabe, M. (2001). *Marketing management* (2nd ed.). Ohio: South Western.
- Davenport, T. H., & Wilson, H. J. (2003). *What's the big idea?* (1st ed.). Massachusetts: Harvard Business School Press.
- David, F. R. (2007). *Strategic management* (11th ed.). New York: Pearson Prentice Hall.
- Day, J. (2000). The value and importance of the small firm to the world economy. *European Journal of Marketing*, 34(9/10), 1033. Retrieved November 23, 2007, from ProQuest Database.
- Dyer, W.G., (2006). Examining the family effect on firm performance. *Family Business Review*. 19(4) 253-274. Retrieved July 6, 2008 from ProQuest Database.
- Feinber, F.M., Kinnear, T.C., & Taylor, J.R. (2008). *Modern marketing research* (1st ed.). Ohio: Thompson
- Ferrell, O.C., & Hartline, M. D. (2008). *Marketing strategy* (4th ed.). Ohio: Thompson Southwestern.
- Freeman, S. (2000). Partnerships between small and medium enterprises and universities that add value. *Education & Training*, 42(6), 372-378. Retrieved November 23, 2007 from ProQuest Database.
- Gamble, J.E. & Thompson jr. A. A. (2009). *Essentials of Strategic Management* (1st ed.). New York: McGraw-Hill Irwin.
- Grewal, D., & Levy, M. (2008). *Marketing* (1st ed.). New York: McGraw-Hill Irwin.
- Griffin, T., & Ebert, R. (2006). *Business* (8th ed.). New York: Pearson Prentice Hall.
- Griffin, R.W., & Ebert, R.J. (2007). *Business essentials* (6th ed.). New York: Pearson Prentice Hall.
- Harris, S. A. (2000). Advertising and sustainable competitive advantage in the small firm. *Dissertation Abstracts International*, 62(01), 245A. (UMI No. AAT 3000543)

- Hawkins, D.I., Mothersbaugh, D. L, & Best, R. J. (2007). *Consumer behavior* (10th ed.). New York: McGraw-Hill Irwin.
- Hisrich, R., Peters, M., & Shepherd, D. (2008). *Entrepreneurship* (7th ed.). New York: McGraw-Hill Irwin.
- Hite, J. M. & Hesterly, W. S. (2001). The evolution of firm networks: From emergence to early growth of the firm. *Strategic Management Journal*, 22(3), 275-286. Retrieved May 1, 2007, from ProQuest Database.
- Hodges, H. E., & Kent. T. W. (2007). Impact of planning and control sophistication in small business. *Journal of Small Business Strategy*, 17(2), 75-88. Retrieved July 16, 2007, from ProQuest Database.
- Hoffman, N. P. (2000). An examination of the sustainable competitive advantage concept: past, present, and future. *Academy of Marketing Science Review*, (2000), 16(1). Retrieved May 23, 2007, from ProQuest Database.
- Keegan, W. J. (2002). *Global marketing management* (7th ed.). New Jersey: Pearson Prentice Hall.
- Keller, K. L. (2003). *Strategic brand management* (2nd ed.). New Jersey: Pearson Prentice Hall.
- Kerin, R. A., & Peterson, R. A. (2007). *Strategic marketing problems* (11th ed.). New Jersey: Pearson Prentice Hall.
- Ketchen, D. J. & Eisner, A. B. (2008). *Strategy*. (1st ed.). New York: McGraw-Hill Irwin.
- Kinicki, A., & Williams, B. (2006). *Management a practical introduction* (2nd ed.). New York: McGraw-Hill Irwin.
- Kobe, K. (2007). *How important are small businesses to the U.S. economy?* Small Business Administration Office of Advocacy. Retrieved June 8, 2008 from: usinfo.state.gov/infousa/economy/industry/docs/sbfaq.pdf
- Kotker, P. (2004). *Ten deadly marketing sins; signs and solutions*. New Jersey: John Wiley & Sons.
- Kotler, P. & Armstrong, G. (2008). *Principles of marketing* (12th ed.). New Jersey: Pearson Prentice Hall.
- Kotler, P., & Keller, K. L. (2006). *Marketing management* (12th ed.). New Jersey: Pearson Prentice Hall.

- Lamb, C.W., Hair, J.F., & McDaniel, C. (2008). *MKTG what's inside*. (1st ed.). Ohio: Cengage Learning
- Laudon, K. C., & Traver, C. G. (2007). *E-Commerce* (3rd ed.). New Jersey: Pearson Prentice Hall.
- Lehmann, D. R., & Winer, R. S. (2005). *Analysis for marketing planning* (6th ed.). New York: McGraw-Hill Irwin.
- MasterCard (n.d.). Common reasons for business failure. Retrieved July 7, 2008 from:
<http://www.mastercard.com/us/business/en/smallbiz/businessplanning/financialresourceguide/reasons.html>
- Moustaghfir, K. (2008). The dynamics of knowledge assets and their link with firm performance. *Measuring Business Excellence*. 12(2) 10. Retrieved July 6, 2008 from ProQuest Database.
- Merriam-Webster (n.d.). *Chamber of commerce definition*. Retrieved July 7, 2008 from: <http://www.merriam-webster.com/dictionary/chamber+of+commerce>
- O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2006). *Advertising & integrated brand promotion* (4th ed.). Ohio: Thompson South-Western.
- Ratanapornsiri, V. (2003). The moderating influence of strategic flexibility on relationship of market orientation and business performance. *Dissertation Abstracts International*, 64(10), 3762A. (UMI No. AAT3109729)
- Roberts, C.R. (2004). *The dissertation journey* (1st ed.). California: Corwin Press.
- Schram, T. H. (2006). *Conceptualizing and proposing qualitative research* (2nd ed.). New Jersey: Pearson Merrill Prentice Hall.
- Shank, G.D. (2006). *Qualitative research* (2nd ed.). New Jersey: Pearson Merrill Prentice Hall.
- Simpson, M., Padmore, J., Taylor, N., Frecknall-Hughes, J. (2006). Marketing in small and medium sized enterprises. *International Journal of Entrepreneurial Behavior & Research*, 12(6) 361. Retrieved July 8, 2008 from ProQuest Database.
- Simpson, M., Tuck, N., & Bellamy, S. (2004). Small business success factors: The role of education and training. *Education & Training*, 46(9), 481. Retrieved October 10, 2007, from ProQuest Database.

- SBA (n.d.a). Office of advocacy frequently asked questions. Retrieved July 7, 2008 from www.sba.gov/advo/stats/sbfaq.pdf
- SBA (n.d.b). Programs and services to help you start, grow, and succeed. Retrieved July 7, 2008 from http://www.sba.gov/smallbusinessplanner/plan/getready/SERV_SBPLANNER_ISENTFORU.html
- Small Business Notes (n.d.). How many businesses open and close each year? Retrieved June 9, 2008 from <http://www.smallbusinessnotes.com/aboutsb/sbfacts/sbopenclose.html>
- Solomon, M. R., Marshall, G. W., & Stuart, E. W. (2008). *Marketing real people, real choices* (5th ed.). New Jersey: Pearson Prentice Hall.
- Stewart, K. S. (2004). The relationship between strategic planning and growth in small business. *Dissertation Abstracts International*, 64(12), 4525A. (UMI No. AAT 3118032)
- Street, C.T., & Cameron, A. (2007). External relationships and the small business: A review of small business alliance and network research. *Journal of Small Business Management*, 45(2), 239-267. Retrieved July 15, 2007, from ProQuest Database.
- Trochim, W.M. (2001). *The research methods knowledge base* (2nd ed.). Ohio: Atomic Dog.
- vanManen, M. (2002). *Inquiry: The eidetic reduction: Eidos*. Retrieved June 9, 2008, from <http://www.phenomenologyonline.com/inquiry/36.html>
- Verreynne, M. (2006). Strategy-making process and firm performance in small firms. *Journal of Management and Organization*, 12(3), 209-223. Retrieved July 20, 2007, from ProQuest Database.
- Walker, G. (2007). *Modern competitive strategy* (2nd ed.). New York: McGraw-Hill Irwin.
- Winer, R. S. (2007). *Marketing management* (3rd ed.). New York: Pearson Prentice Hall.
- Wood, M. (2008). *The marketing plan handbook* (3rd ed.). New York: Pearson Prentice Hall.
- Yin, R. (2009). *Case Study Research: design and methods* (4th ed.). London: Sage Publications.

Yin, R. (2005). *Case study research: design and methods* (3rd ed.). London: Sage Publications.

Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2006). *Services marketing* (4th ed.). New York: McGraw-Hill Irwin.

Zikmund, W. (2003). *Business research methods* (7th ed.). Ohio: Thompson Southwestern.

APPENDIXES

Appendix A:
Interview Outline

- I. Causal Research
 - A. Networking
 1. What types of networks are available?
 2. Quality of the network group
 - a. Information provided
 - b. Membership advantages
 - c. Cost
 - d. Meeting/conference attendance
 3. How many network groups is the small business in?
 4. Is there cross-over between members of various groups or is each distinct?
 - B. Firm resources and sustained competitive advantage
 1. How are financial resources available?
 2. How are non-financial resources available?
 - a. Who assists the small business and roles performed?
 3. How do you maintain a sustained competitive advantage?
 - C. Resource disadvantage
 1. How does the small business deal with lack of resources?
 2. What impact does lack of resources have on marketing initiatives?
 - D. Competition and cooperation
 1. How large is the competitive market?
 2. How much of a threat are competitors?
 3. How does the small business have a competitive edge?
 - a. Distinctive competencies
 - b. Market Niche
 - c. Product differentiation
 - E. Growth
 1. How fast is the small business growing?
 2. How is growth consistent with plans?
 3. How is growth needed for survival?
 - F. Business partnerships and alliances
 1. Aligning with a large business
 2. International alliances
 3. Technological alliances
 4. Trust
 5. Dependence
- II. Descriptive Research
 - A. Stakeholders
 1. Who are the stakeholders in the business?
 2. How will the stakeholders be affected if the business succeeds or fails?

- B. Strategies
 1. Who develops the small business strategies?
 2. How were the strategies formed?
 3. What were the strategies based on?
 4. When were the strategies formed?
 5. Why were the strategies formed?
 6. What time frame are the strategies for?
- C. Profitable and unprofitable strategies
 1. How does the small business determine if a strategy is profitable or not?
 2. What measure determines profit
 - a. Dollar increase in Sales
 - b. % increase in Gross Profit Margin
 - c. Other measures
- D. Survival chances
 1. What is the chance of survival for a small business from national standard?
 2. How do you see your firm surviving (What is the small businesses perception of survival chances)?
 3. What determines if the small business is surviving?
 - a. What measures are used?
 - b. What is the determining factor to pull the plug and close?
- E. Organizational competence
 1. Level of owner education
 2. Is education consistent with product/service knowledge or business knowledge (or both)
 3. Experience in running a business
 4. Employee competence
- F. Knowledge resources
 1. How does the small business owner seek out marketing knowledge?
 - a. Where does the small business owner seek out knowledge?
 - b. When does the small business owner seek out knowledge?
 - c. Why does the small business owner seek out knowledge?
 2. What knowledge is available?
 3. What is the quality of the knowledge available?
 4. How does the small business owner apply knowledge to the firm?

Appendix B:

Informed Consent

Exploring the Affects of Entrepreneurial Marketing Efforts in Small Businesses

Purpose. You are invited to participate in a research study being conducted for a dissertation at Northcentral University in Prescott Valley, Arizona. The purpose of this study is to explore entrepreneurial marketing efforts in small businesses. It focuses on networking, firm resources and sustained competitive advantage, resource disadvantage, competition and cooperation, growth, business partnerships and alliances, stakeholders, strategies, profitable and unprofitable strategies, survival chances, organizational competence, and knowledge resources. There is no deception in this study. We are interested in your opinions and reflections about how your company approaches marketing.

Participation requirements. You will be in a taped interview that will last approximately one hour.

Research Personnel. The following people are involved in this research project and may be contacted at any time: Here you would find the names and contact numbers of the relevant individuals.

Julia Cronin-Gilmore, (402) 597-6687 or Dr. Paul Sam, (281) 415-1238

Potential Risk / Discomfort. Although there are no known risks in this study, some of the information may be business sensitive and also includes questions about how you run your company which may be distressing to some people. However, you may withdraw at any time and you may choose not to answer any question that you feel uncomfortable in answering.

Potential Benefit. There are no direct benefits to you of participating in this research. No incentives are offered. The results will have scientific interest that may eventually have benefits for entrepreneurs in a small business setting.

Anonymity / Confidentiality. The data collected in this study are confidential. All data are coded such that your name is not associated with them. In addition, the coded data are made available only to the researchers associated with this project.

Right to Withdraw. You have the right to withdraw from the study at any time without penalty. You may omit questions at any time if you do not want to answer them.

We would be happy to answer any question that may arise about the study. Please direct your questions or comments to: Julia Cronin-Gilmore, (402) 597-

6687.

Signatures

I have read the above description of Exploring Marketing Strategies for Small Businesses and understand the conditions of my participation. My signature indicates that I agree to participate in the experiment.

Participant's Name: _____

Researcher's Name: _____

Participant's Signature: _____

Researcher's Signature: _____

Date: _____

Appendix C:

Transcript Coding

Questions:

Codes:

III. Causal Research

A. Networking

1. What types of networks are available?
2. Quality of the network group
 - a. Information provided
 - b. Membership advantages
 - c. Cost
 - d. Meeting/conference attendance
3. How many network groups is the small business in?
4. Is there cross-over between members of various groups or is each distinct?

Well...architects are so competitive nobody wants to help anyone else because the next job is your customer so it is very hard to do that I have some personal friend architects so there is some networking there and a couple personal friends and talk to each other when there are issues that we would like some advice on.

Competitive
Customer
Personal
Friend
Networking
Advice

We use the Chambers, the various Chambers throughout the metro area, for our networking. We are members of the Omaha Chamber of Commerce, the Council Bluffs Chamber of Commerce, the Bellevue Chamber of Commerce, the Sarpy County Chamber of Commerce, the La Vista Chamber of Commerce, and the Ralston Chamber of Commerce.

Chamber
Networking

- B. Firm resources and sustained competitive advantage
1. How are financial resources available?
 2. How are non-financial resources available?

- a. Who assists the small business and roles performed?
- 3. How do you maintain a sustained competitive advantage?
- C. Resource disadvantage
 - 1. How does the small business deal with lack of resources?
 - 2. What impact does lack of resources have on marketing initiatives?

(pause) Well the first way I can be very competitive is I am a local guy so no one can under price me um and then uh I don't know if that is a competitive advantage but the experience that I have with 99% positive referrals is a competitive advantage that I tell my clients that I can give them a 7 page list of all the projects with phone numbers that I have completed there is no one on that list that would not say something good about me um we still have to do a job and work through together which is what it is all about.

Competitive
Price
Competitive advantage
Experience

We believe there is (pause) my philosophy is that's a great way to get to know people and become uh develop a friendship or a business relationship with them you know going out and knocking on a door is cold that's why they call them cold calls, going to a marketing group tips groups and building a relationship with 20 other business uh seems like ah in my opinion the best way to develop relationships and then if you develop a relationship with the 20 people in your networking group then they also will go out to other people their friends, families, business associates spread your name out also it's kind of a continuing um method for us to keep our name fresh in front of people.

People
Friendship
Business
Relationship
Marketing
Group
Building
Develop
Networking
Friends
Families
Business associates

- D. Competition and cooperation
 - 1. How large is the competitive market?
 - 2. How much of a threat are competitors?
 - 3. How does the small business have a

- competitive edge?
- a. Distinctive competencies
 - b. Market Niche
 - c. Product differentiation

By focusing on vertical niche industries that's really taken me almost 20 years to figure this out but that's the most, the single best thing, that a small business can do it's very difficult to be competitive um I you know I happen to have an advertising agency and there are lots of international agencies that compete for all business everywhere and I can't compete with them um but by focusing on specific on a uh narrow niche industries we can gather the or we can be involved at a level that is comparable the biggest agency anywhere and usually the dollars are not attractive for big agencies to compete in there niches so the statement or the aphorism that there as rich as a niches is true. I think for smaller companies the narrower that you can define the niche obviously has to be one that has a profit opportunity.

Niche
Small business
Competitive
Business
Compete
Companies
Opportunity

Um, for as small as business as we are, uh I think we have three main competitors, um, in the area and so for us that's overwhelming considering that, um, over the last 10 years there haven't been that, um, that amount of competition that's because of the growth in the area and that's why I feel that we need to get, uh, moving on, on a different plan in order to stay to basically stay in business; we just need to get a better plan.

Competitors
Competition
Growth
Area
Plan
Business

E. Growth

1. How fast is the small business growing?
2. How is growth consistent with plans?
3. How is growth needed for survival?

Um, that takes it takes decades to grow like to the point that it is um in terms of starting it that's part of the reason that I created AmeriKids is because

Relationships
Business
Information

somebody starting out brand new right now um has to develop the uh resources and the um relationships with other business entities just to be able to function in the business world and I wanted to be able to bring that part of it to the table and say look if you're a member of AmeriKids there's a way you can purchase new equipment or get a software program that's going to help you register your kids or ah other things that other people are out there selling but uh if you're an AmeriKids member where you can get this information in one place and you can get it at a discount.

F. Business partnerships and alliances

1. Aligning with a large business
2. International alliances
3. Technological alliances
4. Trust
5. Dependence

I think trust you cannot have a real partnership without the trust and I think that comes from with the comfort of knowing the people you are working with knowing that they have integrity and not just throw you down the river and give your business to someone else and your inside information. And I think that works two ways It is maybe we have to deal with integrity for them and not give away their information so I think it is a balance between the two and I think most companies that partner with you are aware of that um and if they are not they are pretty quick and so we would just back away if so.

Partnership
Trust
Integrity
Business
Information
Companies
Partner

We trust each other and other companies have tried to align with me and I don't trust their work I even told you that with my employee I would rather have a trustworthy employee that I can train then someone I can't trust at all.

Trust
Companies
Align
Trustworthy employee

IV. Descriptive Research

A. Stakeholders

1. Who are the stakeholders in the business?
2. How will the stakeholders be affected if the business succeeds or fails?

Oh gosh, we have a lot of customers and the sale side they could go to another store or US Cellular store and get their needs met but our business telephones system customers depends on us very heavily uh for service and knowing their business and understanding how it works or just a whole array of things and if we were to go belly up tomorrow boy they would be horrified.

Customers
Business
Understanding

B. Strategies

1. Who develops the small business strategies?
2. How were the strategies formed?
3. What were the strategies based on?
4. When were the strategies formed?
5. Why were the strategies formed?
6. What time frame are the strategies for?

Me alone as the owner

Owner

A time line of where we should be running by x date maybe a month down the road from a six months down the road but we usually have an idea of where we should be and how long it should it take us to get there.

Month
Six months
Idea

C. Profitable and unprofitable strategies

1. How does the small business determine if a strategy is profitable or not?
2. What measure determines profit
 - a. Dollar increase in Sales
 - b. % increase in Gross Profit Margin
 - c. Other measures

(Deep breath) Uh, the bottom line kind of tells you if it is you know the costs involved with what you've done um you know if it's paying off, if you are getting customers if you're not you know what the you know not everything works immediately and it takes trial and error so you'll need to modify them to try to increase the you know the business.

Bottom line
Paying
Customers
Business

- D. Survival chances
1. What is the chance of survival for a small business from national standard?
 2. How do you see your firm surviving (What is the small businesses perception of survival chances)?
 3. What determines if the small business is surviving?
 - a. What measures are used?
 - b. What is the determining factor to pull the plug and close?

Um, I think those thresholds are changing now and we're in the process of changing our thresholds because my ideas what, what a business survival is the from what this company has had in the past, so I think those are evolving right now, um, you know I do not believe just being able to keep the doors open is surviving, um, I believe that having to be able to keep good employees and award those employees, um, is surviving, and I also feel that having a steady increase in growth sales, um, and that is surviving right now we've been having a steady decline and, and I'd like to see it go the other way to me that would be a heading towards survival.

Ideas
Survival
Surviving
Employees
Increase
Growth
Sales

(Pause) well it used to be profit but now it's turned into choice of (pause) weather I want to invest time or not and right now I still want to invest the time so it's surviving.

Profit
Choice
Surviving

- E. Organizational competence
 - 1. Level of owner education
 - 2. Is education consistent with product/service knowledge or business knowledge (or both)
 - 3. Experience in running a business
 - 4. Employee competence

The biggest things that helped me start this was the product knowledge uh knowing how to provide those and implement those and the business knowledge that I had was simply based on what I saw.

Product
Knowledge
Business

Both of them really formal education I have a masters in business um product and service knowledge was preexisting what was not preexisting was the things about how to start my own company or how to price it or those kinds of things.

Education
Business
Product
Service
Knowledge

- F. Knowledge resources
 - 1. How does the small business owner seek out marketing knowledge?
 - a. Where does the small business owner seek out knowledge?
 - b. When does the small business owner seek out knowledge?
 - c. Why does the small business owner seek out knowledge?
 - 2. What knowledge is available?
 - 3. What is the quality of the knowledge available?
 - 4. How does the small business owner apply knowledge to the firm?

What works for them that's part of the advantages of the marketing and tips groups is uh you're with other business people and they will tell you what works for them and what hasn't worked and you just kind of take that information and go with it.

Advantages
Marketing
Groups
Business people
Information

Um (pause) on that one I'd go back to your networking I mean trying to find an association specializing in your business and seeing what has worked for them.

Networking
Association
Specialization
Business

I'd have to go um on line and find uh reputable marketing people to test the waters and to see what was happening but basically I would have to trust my own instincts as to what was happening and evaluate those um avenues that are out there to see weather or not marketing in any of those would be even beneficial.

Marketing
People
Trust
Instincts
Evaluate
Marketing
Beneficial

Appendix D:

Women and minority entrepreneurs

Owned businesses	Number	Revenue	Workers Employed
Women	6.5 million	\$940.8 billion	7.1 million
Minorities	4.1 million	\$694.0 billion	4.8 million

Appendix E:
Future Marketing Training Topics

RSS marketing/internet marketing via email	Blog marketing
Content versus design and balance	Service marketing
Word-of-mouth marketing	Event planning
Hiring a marketing assistant and value added	Social marketing
Finding the customer	Niche marketing
Low-cost marketing ideas	Innovative marketing
Developing a broader marketing base	Advertising and promotion
Using technology in marketing	International marketing
How to market to media	Blog marketing
How to leverage social marketing	Marketing and networking
Prioritize limited marketing budget	Google ad words
Who/where to market and advertise	Finding the customer
Business to business marketing	Small business marketing

Appendix F:
Minority Owned U.S. Businesses

Race	Percentage
Hispanic Americans	6.6
African Americans	5.0
Asian Americans	4.6
American Indians or Alaska Natives	0.8
Native Hawaiian or other Pacific Islanders	0.1
