Marketing research, a success factor for an entrepreneur

Authors*: Liviu CIUCAN-RUSU, Manuela Rozalia GABOR, Iulia APĂVĂLOAIE

Abstract: The aim of our paper is to emphasize the importance of partnership in the case of a small business. Being one of the main features of the marketing strategy, marketing research is often perceived as a feature of big companies, involving huge effort of people and budget. In the case of an entrepreneur, “condemned” to run the business on his own, the need for networking is one of the most important function in order to reach substantial benefits. In this respect, we have designed a case to express the positive effects of collaboration with experts in the case of marketing research in order to increase the value of decision in customer satisfaction and positioning.

Keywords: entrepreneurship, marketing research, small business administration

JEL Classification: L26 - Entrepreneurship; O32 - Management of Technological Innovation and R&D

Introduction and background

When referring to entrepreneurship there are several aspects to take into consideration: the entrepreneurial culture, features and characteristics of the person undertaking the endeavor, and the management of the small company. There is a need for refining the approach when talking about the owner of a

* Liviu CIUCAN-RUSU, liviu@liviuciucan.ro; Manuela Rozalia GABOR, rozalia_gabor@yahoo.com; Iulia APĂVĂLOAIE, iulia8@gmail.com; “Petru Maior” University of Târgu-Mureș, Romania.
micro business (less than 9 employees), therefore we adhere to the statement that in this case we are dealing with the “Orchestra Manager” bearing the burden of “One Man Show” as a way of doing business administration. There are some realities about the manager of a micro business: Concentration of management functions, rather operational approach than strategy; Personal “touch” on processes and structures; Responsibility for results; Lack of delegation; Risk of overcharging; Need for consultancy / cooperation / partnership and networking.

Our case study is about a small publishing house, editing periodicals in the field of advertising and small announcements (classified, classified advertising). In order to have an overview about the past of the business, we presented the main financial figures in the table below.

Table 1. Evolution of financial figures – the case of the micro company

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover RON</th>
<th>Financial Result RON</th>
<th>Employees</th>
<th>Profitability</th>
<th>Employees contribution to turnover - RON</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>117,711.70</td>
<td>-1,430.50</td>
<td>2</td>
<td>-1.22%</td>
<td>58855.85</td>
</tr>
<tr>
<td>2000</td>
<td>200,888.70</td>
<td>-1,227.00</td>
<td>2</td>
<td>-0.61%</td>
<td>100444.4</td>
</tr>
<tr>
<td>2001</td>
<td>291,026.40</td>
<td>26,846.30</td>
<td>7</td>
<td>9.22%</td>
<td>41575.2</td>
</tr>
<tr>
<td>2002</td>
<td>430,799.90</td>
<td>74,436.00</td>
<td>7</td>
<td>17.28%</td>
<td>61542.84</td>
</tr>
<tr>
<td>2003</td>
<td>648,924.40</td>
<td>123,505.50</td>
<td>8</td>
<td>19.03%</td>
<td>81115.55</td>
</tr>
<tr>
<td>2004</td>
<td>726,516.70</td>
<td>79,692.10</td>
<td>9</td>
<td>10.97%</td>
<td>80724.09</td>
</tr>
<tr>
<td>2005</td>
<td>750,981.00</td>
<td>42,906.00</td>
<td>9</td>
<td>5.71%</td>
<td>83442.33</td>
</tr>
<tr>
<td>2006</td>
<td>742,672.00</td>
<td>19,035.00</td>
<td>9</td>
<td>2.56%</td>
<td>82519.11</td>
</tr>
<tr>
<td>2007</td>
<td>757,185.00</td>
<td>32,763.00</td>
<td>9</td>
<td>4.33%</td>
<td>84131.67</td>
</tr>
<tr>
<td>2008</td>
<td>821,059.00</td>
<td>-27,504.00</td>
<td>9</td>
<td>-3.35%</td>
<td>91228.78</td>
</tr>
<tr>
<td>2009</td>
<td>714,545.00</td>
<td>-86,294.00</td>
<td>8</td>
<td>-12.08%</td>
<td>89318.12</td>
</tr>
</tbody>
</table>

In the dynamics during the past 10 years of activity, we can observe that the business grew in terms of trade, excepting the last year, based on the positive evolution of productivity, reflected in the indicator “employee contribution to turnover”. Unfortunately, 2005 was the dawn of a negative course of profitability, the last two years confirming the deceleration until reaching loses.

Under these circumstances, the manager decided to launch a research study about the main strategic business unit, a small newspaper specialized in private announcements and advertising, well-known as a leader in this specific market. The objectives of the collaboration in the field of marketing research: findings about positioning of the paper among readers and compared with direct and indirect competition; findings about the variables to shape further strategic decisions.
Methodology
The marketing research that we are referring to used the method of statistical survey data collection. To increase the representativeness of the sample selected in the research we applied a mixed sample, i.e. stratified random sampling survey and probability sampling. In the case of stratified sampling, to take into account both the location of the kiosk sales and category of its importance, according to the list provided by the publication of classified advertising.

Data collection was done in areas with high traffic intensity; the distribution of respondents according to areas of interest (attractive point of sale) is balanced, influenced by the availability of respondents and the agreement / acceptance / support media sellers and owners of private spaces.

For primary data collection we used a questionnaire survey administered by the operators, the questionnaire was pre-tested on a sample of subjects. In the questionnaire, questions were formulated according to the objectives and purposes of research, more types of questions being used: factual questions, closed questions with only answered, closed questions with multiple answers, open questions, test questions, etc.

In the formulation of questions we used Likert scale, Stapel scale, semantic differentiator constant amount, etc. Types of variables used in the questionnaire were: nominal variables, ordinal variables, proportions variable. Among the variables related to socio-demographic characteristics of the sample we used: the number of households, gender of respondent, age, nationality, marital status, place of origin, studies, employment status, monthly income of the respondent and monthly income of households. One of the important steps was to check the degree of the questionnaire and treatment of non-responses. For the data processing stage we were using SPSS software and Microsoft Excel to complete the stage of interpretation of the results.

For the analysis phase descriptive statistics indicators were used, namely: absolute frequency (number of occurrences of values), relative frequency (percentage-based expression ratios), simple and weighted averages, and the latter for the calculation of average scores adapted to questions like Likert scale or Stapel scale.
Details about the sample used in the research

The sample of respondents comprised 354 respondents, with the following structure (Figure 1) in terms of place of origin of the respondent, the objective being a distribution of questionnaires as close as possible to the situation in the market segments, in terms of territory. It is therefore noted that almost two-thirds of respondents come from Târgu-Mureș, the justification being that the city is the largest segment in the market of announcements and advertising. The sample included all urban communities of the Mureș County, plus respondents (48 respondents) in rural areas and in other neighbouring counties. Further detailed structure of the sample will be provided according to the socio-demographic characteristics.

![Location of respondents](image)

*Figure 1*

The sample structure by gender is approximately equal, i.e. 51% men and 49% women, according to Figure 2. Regarding the marital status of respondents, most of them are unmarried, 53% respectively, followed by representatives of couples - 40%, the difference being either divorced, widowed or free communion, as presented in the Figure 3.
In the sample of respondents all categories of occupations are represented, as we set the initial objectives of sampling, mostly students (107), followed in approximately equal numbers: employees with secondary education (78) and employees with higher education (74), 33 retired, 20 self-employed, 12 business owners, 9 managers, 7 unemployed, 7 housewives, 3 unskilled workers and 3 farmers, according to Figure 4.
The sample structure function of nationality, groups the Romanian readers 77%, 22% readers of Hungarian ethnical origin and 1% other nationalities (i.e. Hungary, Moldova) - Figure 5.

The sample structure by age shows that all age groups are well represented: most of the respondents are under 24 years of age (number of 132 respondents), followed by 84 respondents aged between 35 and 49 years, 81
respondents aged between 25 and 34 years, 47 respondents aged 50 and 64 years and 9 respondents over 65 years (Figure 6).

Findings and Results

The first results presented refer to the frequency of interaction with the classified advertising newspaper, with Figures 7-9 showing the data, thus detailing the relationship between the respondent and the newspaper.
Although in most cases respondents state that the use of the newspaper is done "as needed", about two thirds of respondents read the newspaper at least once a month, with a significant part (40%) that consider the newspaper a reference in the weekly information process, even if levels of purchase are stated below. This shows that although Flash is classified advertising newspaper it is rather a "constant element" in the landscape of information on the markets of interest, confirmed by the "automaticity" of buying when there is a need for information.
Although buying Flash is a common habit, there are a few readers who prefer to borrow the newspaper and when approaching this topic we discovered that there is a top of sources where respondents address to: friends (17) and colleagues (13) in the lead, followed by relatives (6), neighbours and other sources (the same rating of 4) as presented in Figure 11.

We were also interested in finding combinations of readers, and we discovered that those who borrow from friends use to borrow from neighbours or colleagues, and those who borrow from colleagues still use as a source of information neighbours and relatives. Thus, there is sense in the answer "other 3 more
people read the paper (2.8 average). Figure 12 shows us a very balanced statistical distribution, around the average, and sustain the statement that four people read a weekly number of the classified advertising newspaper.

![Figure 12](image1.png)

When investigating the place of reading for the classified advertising newspaper (Figure 13), most respondents declare that they read it at home (276), of whom 15 read it also at work. The next place declared as preferred is at work (46), and among them 14 readers chose at home and one on the way home or to office. Also, 24 respondents prefer to be informed about classified advertising in another place, namely: cafe, hairdresser’s, physician’s office, etc. The place that readers avoid (only 5 respondents) is on the way home or to work. It is thus seen that only few of the respondents have a second favourite place for information on small and large advertisement announcements.

![Figure 13](image2.png)
Another item of interest concerns the purchase process of the classified advertising newspaper. Respondents declared that all sources are used, but the kiosks for selling press in the proximity of households and in high traffic areas dominate. We observe that some buyers tend to prefer media stores in the shopping centres, especially young people, educated people and those earning a higher income (Figure 14).

![Figure 14]

Conclusions
Generally, Flash in a well known local brand in the media market, due to a positive history and trust regarding the classified advertising, and it can be considered a reference in the market of small trading between individuals; reading Flash is a habit for most of the respondents, a third of them read it last week. The number of readers proves a multiplication effect, more than 4 people reading the same edition, meaning around 25,000 readers. Home is the preferred place for reading, but the paper is present also in public places.

We consider that there is a need for expanding the investigation in order to cover topics that might contribute to better fundamentals of strategic decisions, such as: assessment of the satisfaction of readers and finding the most appropriate segmentation criteria; extension of the marketing research to “organizational consumers”; identifying dependable variables and measurement of influences and correlations; testing possible or intended decisions about the marketing mix (distribution & sales, going online).
Last but not least, we would like to emphasize some aspects regarding the entrepreneurial phenomenon and the small business approach. The case of a micro company is a very special one, bearing the personal influence of the manager. The research and development function of a micro enterprise includes also marketing research, and depends on the understanding of the owner-entrepreneur. Value can be created in a micro enterprise through partnership, leading to an innovative approach, therefore collaboration between researchers and entrepreneurs (microenterprises) should be promoted and supported (also financially) in order to contribute to the consolidation of the “local intrapreneurial community”, one of the most contributive factors to the welfare and to sustainable development.

References


