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***Faculty of Economic Sciences and
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Postgraduate Programme of Study *Master in Business Administration (MBA)*

Master's Dissertation



Market Expansion Strategies of Small and Medium-sized Enterprises (SMEs)

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May, 2023

Word Limit 12158

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This Master's Dissertation was submitted in partial fulfillment of the requirements for the
award of the postgraduate title
on Master in Business Administration (MBA)
by the Faculty of Economic Sciences and Management
of the Open University of Cyprus.

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Abstract

Title: *Market Expansion Strategies of Small and Medium-sized Enterprises (SMEs)*

Subtitle: *A case study of an SME in the lighting market in Cyprus*

The present thesis aims to research **marketing strategies in small and medium-sized enterprises; considering the perspective of the case company, Lumen Lighting LTD.**

This study aims to examine the impact and value of marketing strategies of small and medium-sized businesses in a competitive environment. The thesis will further explore whether digitization and customer loyalty/satisfaction can influence SMEs' sustainable growth and success, make stronger customer relationships, and increase brand recognition. These points have not been sufficiently studied in the past, but there have been relevant studies on digital marketing showing that digitalization can be a very successful marketing strategy, and influence the innovation and creativity of small and medium businesses.

In this study, a qualitative research approach is applied, with the participation of a small business. We have conducted semi-structured interviews to collect primary data, with the participation of four individuals who provide us with their knowledge and thoughts to help conduct this study. Secondary data collection was done through scientific published articles and journals and websites relevant to the topic.

The research findings show that digitalization is considered an effective strategic marketing method for SMEs to promote their products/services. To begin with, digital marketing helps in acquiring, developing, and maintaining customer relationships. The adoption of digital networks such as social media and websites appears to create brand awareness for small businesses and build trust among customers. Some SMEs have not yet switched to non-traditional marketing methods and tend to undermine the value of implementing digital promotional tools. This further motivates the need to highlight the relevance of digitalization in this research and its impact on the business' performance.

Therefore, the findings of the study are expected to help SME owners/managers to adopt digitalization as an important marketing tool to promote their products and services.

Recommendations for further studies are taken for granted, however more detailed in the context of Cyprus and the size of small and medium enterprises.

Acknowledgments

I want to express my gratitude to everyone who helped me with my thesis project.

Many thanks to my supervisor Dr. Nektarios Tzempelikos for his advice, guidance, and suggestions throughout the project.

I want to express my gratitude to my family and friends for their continued belief in me and the love, patience, support, and encouragement they have shown during this productive time. The successful completion of this Master of Business Administration (MBA) program would not have been possible without them.

Finally, I want to thank all the respondents for taking part in the study and being willing to contribute their opinions. We were able to finish this study with the aid of all of their knowledge and insights, which had a crucial bearing on it.

Thank you.

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Maria Agathangelou
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Chapter 1: INTRODUCTION

The present thesis aims to research marketing strategies in small and medium-sized enterprises; bearing in mind the perspective of the case company, Lumen Lighting LTD. As an employee of our family-owned business, Lumen Lighting Ltd, I provide my knowledge of business operations and available data for the lighting industry. I take this opportunity to discover new and innovative marketing methods that will help the company to increase profitability, brand awareness, and, market share.

This thesis can be used as a guide for the business, pointing out the critical elements of marketing and what needs to be done to retain and attract customers.

1.1 Research Background

An independent business with fewer than 250 employees is called a small and medium-sized enterprise (SME). As the authors Carson & Cromie (1989) state, the size of an SME can be measured in terms of the number of employees, sales capacity, and capital investment. SMEs are important to most economies around the world and play an important role in everyone's life by providing various services, professional practices, and merchandisers that meet the immediate needs of customers (Gajanayake, 2010).

Marketing is considered one of the most important strategies adopted by small businesses to improve their performance. Today, people are fascinated by new and innovative marketing tools such as social media and websites. Trivedi (2013) mentioned that businesses cannot generate revenue by selling the same old products in the same old market in the same old way. There is a lot of potential to change marketing practices.

SMEs can easily shift and adapt to the new technology-based marketing because they are more flexible and there is no standardized structure. Thus, decisions are made more quickly and easily, unlike large companies that have a more standardized structure. As discussed in the literature (Taiminen & Karjaluoto, 2015), digital marketing positively affects the performance, growth, and competitiveness of small businesses. Therefore, the marketing plan is important for both the company and the owner/manager of the company as it gives instructions on how to proceed.

1.2 Research Gap

Previous studies in this area lack sufficient information on the marketing strategies used by SMEs to compete with other businesses. Since there is no standardized structure and due to limited resources and a lack of marketing experts, small businesses plan their marketing strategies for a short period of time. The existing literature focuses on marketing strategies adopted by large firms in order to achieve a competitive advantage with less emphasis on SMEs (O'Donnell, Gilmore, Carson & Cummins, 2002). The present study gives us the opportunity to understand and evaluate the role of digitization in small businesses in order to gain a competitive advantage and compete in the market.

As reported by Matt et al. (2015), previous studies on business development in relation to digitalization mainly focus on the digital marketing strategies adopted by larger businesses. Therefore, it is important to adopt recent research on digital marketing for business exposure, promotion, and awareness by applying digitized tools applied in the context of SMEs.

Downes & Nunes (2013) argue that there is a significant gap in published research on digital marketing strategies for small businesses to expand their online business activities. Evidence shows that the influence of digital marketing for SMEs is vital because it is a way for a business to build its brand image and name (Chaffey, 2020). Thus, this thesis attempts to contribute to digital marketing research and identify marketing strategies for SMEs that fit the brand's product and services.

Small businesses lack marketing professionals, and resources, and thus lack a formal marketing structure (Carson, 1990). Comparing the marketing strategy of small firms with large firms, it appears that a smaller firm differs in its marketing attitude with greater flexibility and close relationships with customers (Hill, 2001).

Dzisi and Ofosu (2014) stated that organizations need to acquire more technology-based marketing tools for their products and services such as mobile marketing to improve their performance. Creating an online presence and managing the company's website and social media are essential to succeed in the world of digitalization and customer communication (Hafele, 2011).

According to Reijonen (2010), the marketing mix (4Ps) does not apply to small businesses because small businesses have promotion or sales as their main marketing strategy. A recent study however showed that digital marketing requires fewer resources in order to attract existing and new customers, and gives small businesses the opportunity to compete with larger businesses (Taiminen & Karjaluoto, 2015).

1.3 Research Objectives and Methods

In Cyprus, small and medium enterprises (SMEs) represent a large part of the economy as they are a source of diverse economic contributions through income generation and the provision of new employment openings and employment stimulation. SMEs dominate most sectors like the wholesale and retail trade, cafes and restaurants, business services, manufacturing and construction, communications, insurance, etc.

Undoubtedly, many economic benefits arise from SMEs in Cyprus, however, they also face serious limitations which hinder their development, competitiveness, and contribution. What makes the operational environment of SMEs in Cyprus more challenging is the fundamentally limited market magnitude which is a product of the island's size and population.

This thesis is carried out with the aim of strengthening the knowledge about innovative marketing strategies by small enterprises. In particular, the study examines the challenges faced by the small company 'Lumen Lighting Ltd' and further suggests ways in which the company can overcome these challenges and become an expansion and success. The findings of the study aim to broaden the knowledge on the implementation of marketing strategies in the field of SMEs and also can be used as a guide for the implementation of policies that will help improve the performance of businesses in the field of lighting, and not only.

The objective of this thesis is to investigate the marketing strategies of SMEs and the role of digitization that can help gain competitive advantage and customer satisfaction and retention. The research questions cover three main factors; brand awareness, trust building, and customer loyalty, all of which are important for the growth of an SME.

To achieve the aim of this thesis, semi-structured interviews will be conducted with external and internal clients of the business. I decided to choose our family-owned business Lumen Lighting Ltd for this study in order to gain easy access and represent the small enterprises in the field. The thesis is limited to the internal factors that affect market performance and competitiveness specifically for marketing.

The rest of the study is based on the literature review on the subject and the methodology discussed next. The necessary secondary information will be collected from published journals, articles, and magazines. My experience with the company and my knowledge of its

operations, values, and ethics are a good basis when I talk about the business and its activities. Theory and real life will be merged in this work.

1.4 Research Importance and Significance

Small businesses face challenges like limited economic resources, marketing specialists, and competition within the industry to attract and retain customers. To determine the competitive advantage of small and medium-sized enterprises, this study takes into account Lumen's marketing strategy in terms of pricing, tailored products and services, customer satisfaction and retention, and the role of digital marketing.

Furthermore, the present thesis aims to fill the aforementioned gap in the literature on the strategic marketing of SMEs and to contribute to a effective marketing strategy for Lumen Lighting Ltd in competing with market-dominating firms.

Lumen Lighting Ltd needs to create an improved marketing plan to reach current and potential customers, increase sales and understand customer needs and preferences in order to be developed and sustainable. The business needs to increase and harden its market position against the competition in order to pursue marketing strategies effective in increasing profitability and defeating the competition.

Chapter 2: LITERATURE REVIEW

The literature on the marketing strategy of small and medium-sized enterprises is discussed and reviewed in this chapter. Additionally, it covers consumer satisfaction, the role of digital marketing, and the marketing mix (4Ps), which SMEs need in order to compete with larger companies and obtain a competitive edge.

2.1 Small and Medium enterprises' marketing strategy

SMEs use a variety of marketing techniques to raise awareness of their goods and services and enhance performance. We need to first understand what a small and medium-sized firm is and what makes it up in order to understand and evaluate the marketing initiatives and strategies used by SMEs.

The four characteristics of small businesses, according to Carson and Cromie (1989), are independent leadership where the manager is also the business's owner, funding and ownership by an individual or a few people, operating mainly regionally, and small in size (number of staff members and sales volume). They add that small businesses employ a different marketing strategy than do big businesses.

Besides their size, additionally, their marketing and management strategies distinguish large from small enterprises. In contrast to large companies that service the national or international market and have a higher market share, SMEs' markets are local and regional mainly (Carson, 1990).

The manager is involved in every aspect of how the company runs and is in charge of all decision-making, according to the author, who also claims that the management of SMEs is more personalized. It is known that most SMEs do not have a standardized marketing structure but tend to do marketing in their own way. Additionally, according to Carson, small and medium-sized enterprises (SMEs) have fewer clients, fewer staff, and thus lower sales than larger companies since they lack marketing expertise and resources.

It is challenging for SMEs to conduct market research, plan content, and select a suitable promotional tool that matches their products and services due to a lack of resources and marketing expertise (Berthon et al., 2008). A study showed that marketing practice in a business varies according to the previous marketing experience or education of the owner - from almost no marketing to advanced marketing tactics (Hogarth-Scott, Watson & Wilson, 1996).

As described by Lewis and Churchill (1983), the first step of business growth is where marketing does not exist. The owner hires professionals when the company expands and changes, and only then does the company have an organized marketing system where business marketing becomes professional. Business development is defined as the existence, survival, success, and maturation of resources (Lewis and Churchill, 1983).

Without paying attention to SMEs, the majority of business literature has concentrated on the study of the competitive advantage of large enterprises (O'Donnell et al., 2002). Therefore, previous research has not thoroughly examined how to evaluate, create, and maintain a competitive edge. Customers, products and services, and the market sector are taken into consideration while evaluating competitive advantage. By adopting a value creation plan that the other companies in the industry are not doing at the same time, a company acquires a competitive edge (Barney, 1991).

Identification of competitors is the first step in developing and implementing a competitive advantage for a business (O'Donnell et al., 2002). Based on similar supply/competition features rather than demand/customer features, enterprises should identify and classify other firms as competitors (Clark and Montgomery, 1999). SME owners interact, engage, and network with one another, according to Gilmore, Carson, and Grant (2001). When certain projects are too large for a company and additional resources are required, cooperation may be necessary to maintain some customers in local enterprises.

Dynamic capability, according to Teece (2007), is a firm's capacity to develop knowledge while continuing to adapt to the constantly changing global market, consumer behavior, and technology. In order to address threats in the business environment and keep its competitive advantage, a business should seize this chance and continually examine it.

In addition, the ability of SMEs with dynamic skills to make decisions quickly relative to big businesses is one of their competitive advantages (Fernandes et al., 2017). Additionally, the marketing mix's four components—product, price, place, and promotion—seem to be inappropriate for SMEs, claims Reijonen (2010). Promotion appears to be the primary marketing tactic for SMEs. Small firms are mostly sales-oriented because they concentrate on informing their clients about their business. They lack distinct marketing methods for differentiating and segmenting their goods and services as a result.

2.2 Digital Marketing

The success of the business is directly dependent on the technological aspects of its operation, so it is crucial for an SME to be adaptive to technology (Jasra et al. 2011).

Digitalization has altered the way that marketing is traditionally done, and online networks like social media have altered consumer behavior (Kaplan & Haenlein, 2010).

The literature demonstrates that digital marketing has a favorable impact on the performance, growth, and competitiveness of businesses. According to Taiminen & Karjaluoto (2015), digitization improves communication with current customers and aids in attracting new ones. Because of this, SMEs might develop the chance to compete with big companies through the digitalization of marketing, including online presence, advertising, and a quicker approach to reaching clients with little expense (Taiminen & Karjaluoto, 2015).

Digitization is an opportunity for an SME to be exposed to a market (Teece, 2007). According to the author, part of exploiting opportunities to enhance market position includes investing in a business's technological skills to improve and sell its goods and services.

As a result, creating a strong online presence for a company by connecting it to as many websites as possible, managing the website's positioning in search engines like Google, and creating a "web brand" are crucial digital marketing techniques (Kucuk & Krishnamurthy, 2007).

As reported by Chong & Pervan (2007), the use of the Internet minimizes the marketing expenses of SMEs by reaching a target group that would otherwise require resources.

Social media enables the company to engage with its customers in an innovative manner that transcends conventional marketing strategies. Since information can be shared and disseminated easily, this opens up new chances for word of mouth (WOM) (Hafele, 2011).

Vernuccio (2014) states that by using social media appropriately, businesses gain a better understanding of trends and what customers really want. Therefore, Vladimir (2018) states, that social media can enhance the communication between customers and business and build a strong relationship, which in turn contributes to competitive advantage.

For a business to attract and keep clients, customer relationship marketing is a crucial notion. Building, sustaining, and enhancing client relationships has always been a crucial component of business, according to Velnampy and Sivesan (2012).

2.3 Marketing Mix

The four key elements of a marketing strategy—product, pricing, place, and promotion—are referred to as the marketing mix, or the 4Ps of marketing. The term "marketing mix" is attributed to Neil H. Borden and refers to the set of marketing components that a company can use to achieve its objectives. When releasing new items or improving existing ones, the company can make greater strategic choices by concentrating on the marketing mix. The conventional 4Ps of marketing—product, pricing, promotion, and place—are used by small and medium-sized businesses to strengthen their position as market competitors (Pick & Eisend, 2016).

Policies and strategies for how and when items will be sold, as well as their quantity, quality, and design, are all part of **product** development. The sold item must fulfill the wants and needs of the customer. Therefore, to be successful, a company must first identify the demands and wants of its target market before creating the ideal product at the ideal quality level to satisfy those needs. Also, product development becomes essential to keep the market demand of the business under control. Product innovation plays an important role in influencing demand and optimizing sales.

Place includes policies and strategies regarding inventory, transportation, and warehouse. The location of the product's selling point is important for boosting sales. The location is where consumers purchase the good. This component's goal is to guarantee that the consumer receives the goods or services. The location ought to be appropriate and practical for the customer. The good must be accessible at the appropriate time, location, and amount while maintaining the cost of delivery, inventory, and storage within acceptable limits. Effective distribution channel can help to improve customer satisfaction while ensuring the availability of products in the market.

Promotion includes guidelines for when and how to engage potential customers with a certain sales strategy. To fully understand how the product satisfies the needs and desires of the customer, the product's features must be explained to the customer. Promotion is the process through which a business informs prospective customers what it does and what it can provide. It covers things like branding, advertising, managing sales, giving discounts, and holding exhibitions. Promotion needs to grab customers' attention, be eye-catching, spread a unified message, and most importantly, give them a reason why they should select your product over the competition's.

Price comprises instructions for how a market's price margin should be modified as well as strategies for standardizing or varying a product's price to maximize profit (Borden, 1964). The pricing of the products must be just appropriate for customer expectations—neither too high nor too low. Only what customers are prepared to pay for an item determines its value. It should not always be the cheapest price, but it should be competitive. By providing customers with extra services or features that will give them a greater value for what they pay, a SME may be able to compete with bigger companies. The pricing plan should yield a profit as well. The other components of the marketing mix all represent costs; only this one produce money.

2.4 Customer Satisfaction

Customer satisfaction is recognized as one of the most crucial outcomes of all marketing operations in market-focused organizations (Kandampully & Suhartanto, 2000) and has been important for a long time (Sim, Mak & Jones, 2006). Customers that are satisfied are more likely to remain loyal, make more purchases, and recommend a business to others (Sim et al., 2006). On the other hand, unsatisfied customers are more likely to voice it (through reviews and word of mouth) and harm the company's competitiveness (zgener & Iraz, 2006).

In order to gain a competitive edge and keep customers, it is important to provide high-quality services that satisfy their requirements (Su, 2004). Many SMEs use the approach of providing high-quality services and goods to boost their competitive ability, which is crucial for survival in a competitive marketplace (Costa, Glinia, Goudas, & Antoniou, 2004).

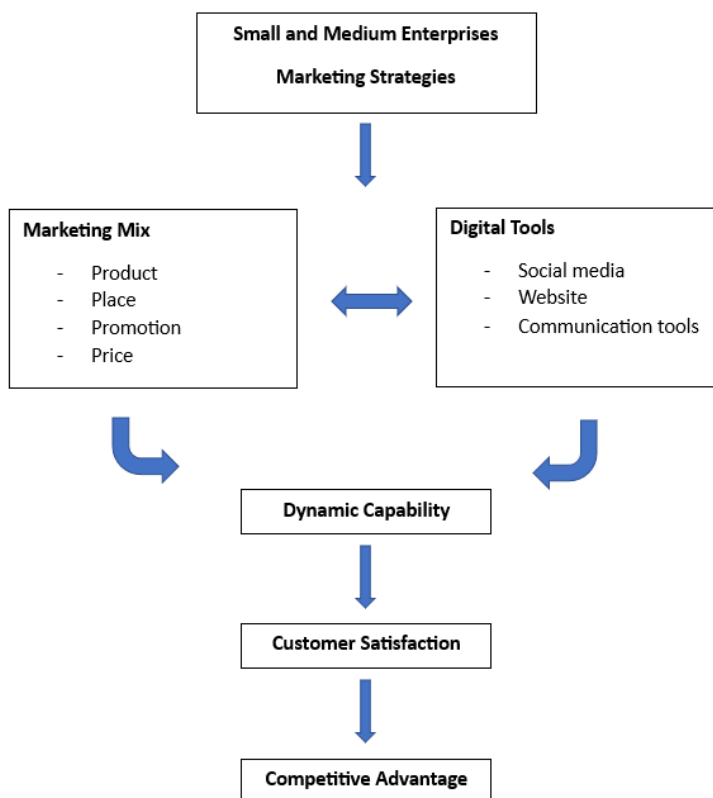
Providing and maintaining customer satisfaction is one of the largest issues in corporate management (Su, 2004). Customer loyalty is positively impacted by increased customer satisfaction, which in turn promotes business success and growth and increases market share and profitability (Skogland and Siguaw, 2004; Choi & Chu, 2001).

Heskett et al. (1994) argue that the quality of the goods and services customers receive has a significant impact on their level of satisfaction. Employees who are happy, dedicated, and productive add value. Today's consumers are value-driven and seek to get their money's worth (Heskett et al., 1994). As a result, Sim et al. (2006) found that the quality and cost of the product or service had an important influence on customer satisfaction and retention. Customers are genuinely willing to pay more for better products and services. As a result, it's critical for SMEs to recognize and satisfy the needs of their clients (Barsky and Nash, 2003).

The key to a business's ability to differentiate itself from the competition and win over customers is providing outstanding service. Managers must ensure that their products and services stand out from the competition in a market where businesses offer comparable goods and services. Owners must thus be aware of the needs of their clients and satisfy or exceed them (Choi & Chu, 2001).

Customers interact with a company's products and services through a procedure. Customer satisfaction depends heavily on how a service is delivered along with the way its providers behave. An SME should therefore design its procedures to optimize the client experience throughout. Customer satisfaction depends on factors like waiting times, information provided, and employee helpfulness.

2.5 Theoretical framework



Source: Own construction (2023)

Figure 1: Theoretical framework

The theory that explains why the research problem under consideration exists is introduced and described in the theoretical framework. The theoretical model (Figure 1) depicts the elements that give marketing for SMEs a competitive edge. This study's literature review included a number of theories that were used to build this model. The marketing mix (4Ps) and digital tools like social media, and communication tools that aid the firm in executing its marketing mix, are among the elements linked together and resulting in the acquisition of competitive advantage as shown in the figure (Clark & Melancon, 2013).

According to Carson (1990), managers use a distinct strategy to advertise their goods/services as a result of the limited resources that SMEs have available to them when investing in marketing. As a result, business owners adopt techniques that are cost-effective, such as technology-based tools for marketing (Taiminen & Karjaluoto, 2015).

Digital tools in conjunction with the marketing mix give businesses the chance to develop dynamic capabilities. Digital marketing gives companies the ability to recognize how customers' wants and behaviors are ever-changing and to modify their marketing strategy and customer communications tactics accordingly. As a result, a company is able to increase its promotional efforts, identify new market prospects, and modify its products and services in accordance with customer preferences. Additionally, happy customers are more likely to become loyal, make additional purchases, and spread good word of mouth.

Customer satisfaction is essential to a company's performance and ability to compete with other companies. Therefore, in order for a company to gain a competitive advantage, all of the theoretical model's variables are crucial to the marketing plan.

Chapter 3: RESEARCH DESIGN and METHODOLOGY

The research methodology, study design, sampling data collecting, and data analysis process are all described in this chapter. It defines the method used to gather information about SME marketing initiatives, including the collection of both primary and secondary data. Data collection indicates the entire procedure of the interviews performed.

3.1 Research Design

The method used to respond to the research question is known as research design. According to Zikmund et al. (2010), a research design is an outline of the procedures and methodologies to be used in gathering and analyzing the necessary data. Therefore, we adopted a descriptive research strategy to accomplish the goals of this study. Saunders, Lewis, and Thornhill (2011) define "research" as a collection of data from many sources that is methodically analyzed with the explicit goal of discovering new data.

In order to conduct successful research, questions must be valid, precise, and related to the study's goals (Greener, 2008). This requires that researchers go beyond simply gathering data to have an objective with a defined goal that is stated in the study's introduction.

We used a variety of methods in this study to further develop our understanding of small- and medium-sized business marketing strategies. We compared the findings with the real data we acquired from our qualitative investigation after using prior and current theories on SME marketing in general, the impact of the digital age, and customer satisfaction.

Therefore, Tuli (2010) argues that as the purpose of our study is to get thorough knowledge with limited sample size and to examine through in-depth interviews, a qualitative technique is acceptable.

3.2 Research Approach

The optimal method selection is based on the study's objectives (Marshall, 1996).

Since our goal was to acquire a deeper knowledge of SMEs' marketing activities, we used a qualitative method for this study. We needed to gather adequate and precise data in order to accomplish this.

The idea was to perform a study of the prior literature to assist us in developing relevant and particular research topics. Next, we used interviews as the primary source of information for our study. They consisted of semi-structured in-depth interviews with a small group of

Lumen Lighting Ltd. customers. To get the most out of the interviews and get as much data as possible to effectively address our study topics, the interview questions were left open-ended.

We are unable to make a general conclusion from the study's small tiny sample. Our goal was to undertake a comprehensive qualitative study on the subject with a flexible design that would enable us to make changes as we went along.

Examining earlier theories on the subject—which we provided in the literature review—was the first step in the process of research. We created an interview guide based on these views, which we then utilized to gather empirical data during the in-depth interviews. We made revisions and confirmed the hypotheses that helped us to reach the conclusion after analyzing the data gathered with the prior theories.

In order to perform inductive data analysis using the qualitative technique, the researcher gathers information through papers, findings, and interviews (Zyphur & Pierides, 2017). Since the research problem was addressed by both facts and processes, we decided to use the qualitative approach. We were able to gather data and examine participant replies through the use of a qualitative methodology.

3.3 Data Collection

Each of the types of data gathered during the study is covered in this section. It is divided into primary and secondary data.

3.3.1 Secondary data

Plenty of secondary data is easily accessible online, is open to the public, and speeds up the entire process. These data serve as a reference point for the researchers to formulate their research design (Greener, 2008). In order to gather secondary data for our present thesis, we made advantage of our access to the university database, Google Scholar, and other academic publications.

According to Saunders et al. (2011), one benefit of gathering secondary data is the ability to re-examine the information obtained from a secondary source to make comparisons with the data gathered from the primary source.

As a result, we looked at information already gathered by researchers in a variety of fields, including SME marketing, digital marketing, customer satisfaction and retention. These data

served as the foundation for the current study, which we re-analyzed and focused on achieving our objective of.

3.3.2 Primary data

For the primary data, we started the process by investigating the people that were appropriate for our study. Any whole group of objects which exhibit a common set of traits is referred to as a population. Customers from various backgrounds who had made purchases from the Lumen Lighting store in the previous year made up the demographic of interest. Interviews are a useful tool for gathering detailed information from respondents who have various viewpoints on a specific idea (DeMassis & Kotlar, 2014).

A description of the selected SME is provided in *Table 1* below.

SME	Founded in	Number of Employees	Marketing Budget
Lumen Lighting Ltd	2012	7	None

Source: own construction (2023)

Four individuals were interviewed for the purpose of the research. Except for one client who rejected us due to scheduling restraints, almost everyone was eager to take part in the study. The contact information from the organization's computer system was used to communicate with the chosen interviewees. We asked the question if they were interested in taking part in our study to them over the phone. We outlined the study's objectives for them and promised them that their involvement would remain anonymous in our research. As a result, we decided on a day and location for the interviews. They were all really friendly and eager to help with our research.

Interview guide

Interviews are one-on-one interactions between the interviewer and the person being interviewed with the goal of gathering data on a certain number of subjects (Harrell and Bradley, 2009). The level of structure imposed on the contact distinguishes interviews from surveys, according to the authors, who note that they can be performed in person or over the phone. In business research, there are three different forms of interviews: organized, semi-structured, and unstructured, according to Saunders et al. (2011).

To allow us to 'probe' responses, where respondents explain or expand on their answers, a semi-structured interview approach with open-ended questions was adopted for this study.

The research questions were the main focus of the interview questions. The interviews lasted between 35min to 1 hour.

Interviewees had the flexibility to express their opinions and to bring attention to any areas of competence or special interest they had, to allow some comments to be further examined, and in particular to draw attention to and resolve any discrepancies.

In semi-structured interviews, questions and subjects of interest are presented in an interview guide. The interviewer uses semi-structured interviews when he wants to explore a topic in depth and fully understand the responses from the respondent (Harrell & Bradley, 2009).

According to Horton, Macve, and Struyven (2004), the key to implementing this method successfully is the flexibility of semi-structured interviews in both preparing and carrying out the interviews.

The selected respondents are anonymous in this article, so they are given code names for each respondent. Respondent demographics include gender, age, occupation, duration, and place of the interview.

The demographics of the respondents are shown in *Table 2* below.

Table 2 Respondent' demography

Respondents	Gender	Age	Occupation	Duration	Place
R1	Female	48	Interior Designer/Architect	45min	Lumen Lighting Showroom
R2	Male	41	Electrician	35min	Via phone call
R3	Male	36	Client (Lawyer)	50min	Via WhatsApp
R4	Male	37	Sales Person/owner	45min	Lumen Lighting Showroom

Source: own construction (2023)

The first respondent (R1), is an interior designer and architect with more than 20 years of experience. She currently works mainly with large and high-profile projects. For the last two years, we have been working together on various projects. She is currently away abroad for work, so the interview was done via WhatsApp.

The second respondent (R2), is an electrician and there is a strong cooperation with the selected SME for more than eight years. The interview took place at the Lumen Lighting store.

The third respondent (R3), is a lawyer, we worked together on the lighting design of her home and recently for her office. We started from the plans and after a year and a half, we managed to successfully complete the projects. Due to her demanding schedule, we did the interview via Viber call.

The fourth respondent (R4), is one of the owners of Lumen Lighting, specializing in sales. He studied business administration and has been officially working for the company for the past five years.

3.4 Data Analysis

We gathered a lot of data from the interviews by applying the qualitative method, and this data needs to be examined and understood. Since the findings emerged directly from the primary data, a generic inductive approach was employed to examine it. However, the evaluation goals and questions, which were derived from earlier ideas, served as a point of emphasis and a pertinent area for the research.

There were many challenges and obstacles during the data analysis. For instance, when the data was gathered, everything was in a mess. We were able to develop theories and connections to our study goals by identifying linkages and patterns in the qualitative data using the inductive approach (Thomas, 2006). To find themes and categories, the data were read several times.

To categorize the data, we began the coding process with 'data cleaning'. Specific sections relevant to the aim of the study were identified. Then, applying tags that might be later easily found, these sections were divided into subjects and categories. For instance, we labelled all texts from the marketing mix that were relevant to pricing as "price" so that, when the time comes, all sentences labelled "price" can be pulled into a single document.

The categories included SMEs characteristics on marketing and management, digital marketing, marketing mix (4Ps), customer satisfaction and so on. The coding process continued with the reduction of overlapping categories to prevent double coding of texts and to remove any sections that were not relevant to the objectives of the study and did not fall into any category (Thomas, 2006). Then, after collecting the most pertinent and comparable

data from various subjects and classifying them into the appropriate categories, we were able to build a model that included the key categories.

3.5 Validity and Reliability

The reliability of the study's findings has an impact on validity (Bryman & Bell, 2011). Validity evaluates whether the study truly achieves the intended goal and the accuracy of the findings, whereas reliability refers to the excellent quality of the study's findings (Golafshani, 2003). Therefore, two quality control techniques have been implemented to guarantee the quality of this work.

Validity was the first quality measure used; establishing reliable checks to ensure that the data collection questions created for this study genuinely address the research topic (Rowley, 2002). In order to write the literature review analysis and determine the formant that was suited to the interview questions, it was essential to study and use relevant literature to the research problem. After data collection, information was written down with the intention of reducing errors and increasing accuracy.

Reliability was the second quality measure used to make sure that the data-gathering process and analysis delivered consistent results. The reason the aforementioned responders and one of the business owners were chosen for the interviews is because of the significant part they play in the day-to-day operations of Lumen Lighting. Their work and collaboration are directly related to brand identity and growth, the development of the company, and direct involvement in the marketing of the company's products and services.

3.6 The ethical aspects

When conducting research, it is appropriate to take the ethical issues into account. Our respondents were made anonymous for the study so they could be sure that their responses couldn't be associated with them personally. The information gathered is confidential and will not be owned by third parties; it will only be used for educational reasons. Additionally, to prevent misunderstandings and improve data validity, interview notes were provided to respondents via email.

Rienecker and Stray Jørgensen (2014) advocate the previously mentioned components of research ethics, and we adhered to them in order to make sure this study complied with the standards. We conducted our research using interviews and academic literature. We think that going this path provided us with some great chances to learn more about SME marketing as

well as marketing in the lighting industry in particular. Additionally, we developed a more thorough understanding of the function of digitalization and how it affects consumer satisfaction and business competitiveness.

The two interviewees who were reached via WhatsApp and Viber were told why the study was being conducted and how their involvement would help. Then, after working hours, we conducted two separate interviews with participants at the Lumen Lighting store. We were able to evaluate and understand diverse gestures and body language from the interviewees during the face-to-face meeting that we would not have seen during an interview over the phone.

Each respondent received a consent form, on which they were told of their right to terminate the interview at any time—before, during, or after. Participants were informed that their participation in the study was entirely voluntary using the consent form.

Chapter 4: PRESENTATION AND ANALYSIS OF THE DATA

The information gathered from the interviews is reflected in this section of the study. The interviews were carried out with the assistance of a small group of individuals whose professional backgrounds include significant personal involvement in SMEs.

We used a qualitative method; thus, the interviews provided a lot of information that needs to be processed and interpreted. Since the findings were derived directly from the data obtained rather than from earlier models or predictions, a general inductive technique was employed to evaluate the raw data (Thomas, 2006).

Questions derived from prior theories were utilized as evaluation objectives to generate attention and act as a useful domain for conducting the study.

Our data analysis provided us with a number of challenges. For example, the post-data gathering materials were entirely disorganized. We were able to identify links to our research objectives by using an inductive approach to find connections and patterns in the qualitative data (Thomas, 2006).

4.1 Marketing Background

The company's managers, who are all owners, come from a variety of educational backgrounds. In terms of their educational backgrounds, they do have in common the fact that none of the members have ever studied marketing. They have degrees in mechanical engineering, information technology, business and tourism management, as well as foreign languages, but they have been running their own business for over 30 years.

The business owners have developed marketing capabilities through their sales experience. They acquired their knowledge of marketing their goods and services through the work, as respondent R4 stated.

“Working as a salesperson is very beneficial because you constantly develop selling skills”
(Interview, 2023)

The owners of Lumen Lighting Ltd. manage the marketing operations as part of operating their small business because no one in the company has marketing training, and they have not hired someone to handle the marketing on their behalf.

4.2 Marketing Mix

Data collected from our respondents are categorized into the 4Ps of the marketing mix.

4.2.1 Price

Marketing success is significantly affected by price. According to participant replies, when it comes to market competition, price is the most crucial component of the total marketing mix. Respondents claim that Lumen Lighting offers comparable or lower prices than nearby rivals.

R1 stated *“Having worked in the design field for all these years, I can compare and evaluate the prices of products that exist in the market. Lumen's prices reflect the quality of its products combined with the service and support it offers.”* (Interview, 2023)

As R4 also mentioned *“We make an effort to maintain competitive costs without becoming the cheapest. We work hard to accommodate every customer's needs and budget”*. He further claimed that Lumen Lighting also works with other companies in the city and does not consider them as competitors. Even if they serve various client target groups and have different products to provide, it appears that they have a relationship when they need to work together. As a result, they do not perceive any threat from their rivals.

4.2.2 Place

Two of the respondents said that the place they look for products and services is mainly online. However, as all participants answered, the physical location of the store and point of sale is also important.

Here is how R2 reports the location of Lumen Lighting: *‘ Lumen is conveniently situated close to the city's heart, offering easy access and plenty of parking. Because of this, the store's location is suitable as well as convenient for its customers.’* (Interview, 2023)

The place is important in marketing because customers often buy products that are convenient for them to purchase. Making a product available and accessible to consumers in the right location may increase the likelihood that they buy that product.

R4 also stated: *‘At Lumen we encourage customers to visit our showroom to see the products and services we offer. The face-to-face meeting allows us to gather relevant information about our customers' needs so as to ensure continued customer satisfaction.’* (Interview, 2023).

4.2.3 Promotion

The importance of marketing promotion is such that it enhances brand and product awareness in the market thereby targeting the right set of consumers. This enhances the creation of market demand and thus the increase in sales for the business.

Lumen's decision as to how and when to communicate its marketing message to its target clients has been significantly impacted by the competition in the lighting business. The company today interacts with its current and potential clients through the creation of its online presence and social networking accounts.

R4 stated that: *"My friend suggested to me two years ago that I should create a website for our company. I wasn't initially interested in doing it due of the cost. But he persisted, and eventually, he convinced me. I am occasionally shocked by the number of individuals who phone us to ask for details about products from the website. I definitely recommend that any business establish a website."* (Interview, 2023).

Discounts attract customers and they frequently spread via word-of-mouth. Discounts are an effective technique for convincing potential customers to try the products or services before making a full-price purchase. After receiving the initial discount, many first-time customers return to make additional purchases. Discounts can raise interest in an organization and brand awareness.

According to R4 *"We significantly rely on discounts and promotions to keep our current clients and attract new ones to our store... To sell stock and boost sales of new products, we may make up to 30%."* (Interview, 2023)

In their interviews, each participant used phrases like "word of mouth" and "positive reviews." When asked how they learned about the company, the majority of respondents said "recommendation from existing customers."

R3 said: *"I have heard a lot of positive feedback about your business from the people surrounding me...it was the first store I went to."*

"I was sent by the electrician I work with on a challenging project," R1 said. *'I have no regrets at all''.*

Word of mouth marketing is an effective way to increase sales and promote products and services. It also helps in increasing brand recognition and building customer loyalty. A strong

brand image influences current and potential customers to respond positively to the firm's products and services. Many businesses use strategies that encourage customers to recommend their products and services and share positive experiences.

4.2.4 Product

One of the essential components that strengthen the company's image and drives sales is the product's involvement in marketing. The product offers the buyer the greatest value, along with the price, location, and promotion.

All respondents agreed that Lumen's services and products are of high quality, and they emphasized the importance of providing a flexible experience that could be tailored to their needs.

"A family business that cares about the needs and wants of their customers by offering them the best products/services." as R2 described 'that is the reason I send my customers there.'

According to R4, "we work hard to provide customers with the best possible services and products so that they feel secure and confident... For us, trust is crucial to the genuine success of our business."

Success and growth will come to the business that offers a good product at a fair price and acts with honesty and integrity in all its business activities and transactions. This is not only morally significant but also called smart business.

4.3 Role of Digitalization

Digital or online marketing is the process of promoting goods and services to interact with potential clients using online platforms and other digital communication channels, such as email, websites, social media, and messaging apps.

Digital marketing enables a company to target potential clients and reach a wider audience than it could with traditional techniques.

Everybody agreed that there is online visibility for the business known as Lumen.

As R3 said "I quickly found your company using Google; according to feedback from others, you appear among the top results... I believe that having a presence on the internet serves as essential to carry out more efficient and concentrated product research. (Interview, 2023)

R4 claimed that many clients, including those from different towns, have access to Lumen's website. *"We have attracted potential consumers from all over Cyprus since establishing our own website. They usually message or call us to obtain product data as well as prices."* (Interview, 2023)

"You exist on the internet," R1 remarked. (Interview, 2023)

Lumen Lighting acknowledges that the development of social media has altered how marketing is done. As a marketing tool to engage with clients, the company now promotes its products and highlights its projects on Instagram, Facebook, as well as its own website. Prior to this, only the showroom floor was used for marketing products.

R1, R3, and R4 argue that digitization builds strong relationships with customers. R1 claims that because information spreads quickly and social media gives them an "extreme reach," marketing on Instagram and Facebook is "excellent." R3 further argues that social media marketing is a quicker and more spontaneous kind of product promotion.

However, different businesses use social media at different frequencies. Some businesses utilize it regularly, while others don't use it at all. For instance, R4 stated that *"Lumen Lighting Ltd posts on social media about once a week. We did collaborate with various businesses to promote through other accounts or magazines, but this is still costly for our company."* (Interview, 2023)

R3 contrasted this by saying: *"You have to be there." They are so effective at getting to the top of search results. It is insufficient to market your products just through your accounts if you want to attract additional clients. You need more followers, and you can only get them by being visible on popular accounts or through Instagram, Facebook and Google ads.* (Interview, 2023). The marketing is handled by those parties, thus R3 added that it is unnecessary to use social media.

R4 claims, however, that *"using big accounts to advertise your goods and services is more expensive and less effective. Because of this, we don't use it. It was not profitable for us to invest in it because such parties charged high commissions"*. (Interview, 2023).

4.4 Customer Satisfaction and Retention

Satisfied customers are the biggest supporters of an organization. Their positive word-of-mouth gives credibility and popularity to the company's brand and aids in acquiring new

consumers. This actually helps to save money that a company would have spent on marketing and promotional campaigns to attract new customers.

Loyal customers provide many benefits to a business, such as referrals to others and higher customer retention rates. Customer satisfaction and perceived value are related to financial performance, intention to recommend, repurchase, and business retention.

As R2 stated: ‘ *Building customer loyalty through good customer service can offer a business profitable long-term relationships* ’ (Interview, 2023).

The words "personal" and "flexible" were mentioned by participants in their responses. They intended to underline that the customer experience is individually designed and not a homogeneous service throughout the duration of the project. They also underlined how adaptable the business's owners are, going out of their way to accommodate clients' wants and preferences and deliver a high-quality service.

According to R4, *"Instead of trying to market what other companies don't, we try to provide what other companies don't offer, keeping our customers satisfied... by offering good prices and individualized, "home-like," service."* (Interview, 2023).

The majority of businesses tend to rely heavily on their customer service to differentiate themselves apart from competitors. All businesses engage in many forms of communication with their clients. Calls, texts, emails, face-to-face interactions, and social media are examples of these. According to the participants, R1 argued that she prefers to contact the company via phone, whereas R3 said she prefers to do so by email. R2, however, stated that he has to have a face-to-face meeting.

Small businesses can use their relationships to their advantage by acquiring new clients and keeping their current partners and customers (Tandon et al., 2017). Customer loyalty is connected to success and profitability in the business world. Profitability growth and long-term competitive advantage are the main components of strategic relationship marketing. Business managers must be in a position to take advantage of current client relationships and modify their offerings as necessary (Jensen & Cornwell, 2017).

Managers should make an attempt to assess each customer's worth. It is crucial for a company's marketing to understand and respond to the wants and preferences of its customers as well as to function in a competitive marketplace (Radu, 2013, Sarathy & Banalieva, 2014).

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In order to develop long-lasting customer relationships, consumer complaints should also be capitalized on and utilized as a marketing strategy (Haislip & Richardson, 2017).

Chapter 5: DISCUSSION OF FINDINGS

In relation to the theories used in this study, the findings presented in the previous chapter were discussed in this chapter. The data analysis is broken down into categories to highlight how the findings connect with earlier ideas of SME marketing that have been examined.

5.1 SME's management & marketing

The SMEs chosen for this study shared many of the traits that Carson and Cromie (1989) identified in their research. The writers' four fundamental principles are demonstrated in the chosen company. These include the fact that small enterprises are independently owned, operated, and managed by their owners, as well as their size. The actual physical size, personnel count, and volume of sales are all useful indicators to determine an SME's size. According to Jasra et al. (2011), small firms employ less than 50 people. Lumen Lighting Ltd. just has a single location and seven employees, so their sales are still rather small. The company's marketing budget is therefore limited.

Lumen Lighting's management approach follows the same pattern as that described by Carson (1990), i.e., it is tailored to the owners who are actively involved in all aspects of the company's operations. In other words, they have an independent management style in which the owners make every decision, reflecting their individual traits (Siu & Kirby, 1998). The author Carson (1990) said that small enterprises lack marketing resources and specialists, in fact, Lumen's staff members had no prior marketing experience. There is no marketing structure that also supports earlier hypotheses (Berthon et al., 2008; Carson, 1990). According to Berthon et al. (2008), limited resources and a lack of marketing expertise make it difficult to perform market research and choose the best promotional strategy.

Participants claim that despite Lumen Lighting Ltd's lack of marketing training, they had excellent marketing skills due to their sales experience. Hogarth-Scott et al. (1996) support that depending on the owner's prior experience or marketing training, SMEs practice marketing ranging from extremely basic to more advanced.

5.2 Marketing Mix

Reijonen (2010) argues that the marketing mix does not fit small and medium enterprises' marketing strategy since they place a greater emphasis on promotion and sales. The study's findings, however, demonstrated that in order to choose their marketing mix and enhance

their company performance, SMEs must gather and effectively use information from clients and rivals (Ken et al., 2007).

Price

According to the respondents, small firms are primarily concerned with price because they have few resources with which to compete in the market. Small enterprises can quickly and easily change their prices due to their flexibility and independent management style, as stated by Fernandes et al. (2017). Consequently, they can quickly decide on pricing compared to larger enterprises.

Place

The majority of responders assert that a customer's attraction depends on location and the place of sale. Customers should be able to get to and from the place with ease. Customers now frequently use the internet to search for goods and services, thus business owners believe it is crucial to promote their location online.

Promotion

One of the most crucial success aspects for SMEs is promotion, informing potential clients to what the company has to offer. In contrast to large companies, small businesses typically lack resources (Keh et al., 2007). The way businesses sell their goods and services has been impacted by competition, and the majority of enterprises have already switched to a more digital marketing approach.

Product

Singh (2012) argues that the marketing mix's product and service components are essential to developing strong customer relationships. SMEs concentrate on client preferences and demands to customize their goods and services. In order to cultivate client loyalty, trust, and satisfaction, they approach their clients with their individual experience and adaptability. In order to satisfy clients and eventually enhance performance and revenues, small firms can benefit from acquiring customer knowledge (Ken et al., 2007).

5.3 Digital Marketing

According to Jasra et al. (2011), small enterprises should abandon conventional marketing strategies and become more technologically savvy. In fact, this has already been implemented. Based on the findings of the study, SMEs are already using social media as a

digital marketing strategy, while others had adopted online marketing. The use of social media appears to be the most preferred strategy adopted by SMEs in Cyprus, according to the respondents. According to Kaplan & Haenlein (2010), digitization has altered not only how companies sell their products and handle client relationships, but also how consumers behave. Also, the findings showed that digital marketing is a cheaper option for an SME to promote its products and services. Using social networking sites allows businesses to share content and communicate with customers. Therefore, the use of technology helps not only in reaching many existing and potential customers but also enhances the image of the company thereby increasing its market share. Customers won't be able to find them if SMEs stick with traditional marketing, which increases the likelihood that they won't come to them.

Customers may shop online thanks to the company's online presence, which additionally provides it with limitless exposure. The results demonstrated that digital technology improves communication between companies and consumers simpler and quicker. This could help businesses by involving customers in the process of developing market value (Kucuk & Krishnamurthy, 2007). Thus, as stated in earlier literature (Taiminen & Karjaluoto, 2015), digital marketing has a favorable impact on the performance, growth, and competitiveness of the organization by enhancing communication and luring potential clients.

The majority of businesses, according to the respondents, are actively attempting to control the Google rankings of their websites in order to increase visibility and encourage visitors to get in touch with them. This aids in the development of a company's online brand (Kucuk & Krishnamurthy, 2007).

There are also businesses that rely more on external websites to get new clients. However, the respondents did remark that third-party websites get paid.

The importance of maintaining an active social media presence as part of an effective marketing plan was acknowledged by every responder. The use of social networks in marketing is an effective tool for interaction and communication with customers. Findings showed that social media enhances customer relationships and understanding of customer preferences and the latest market trends, as already mentioned in previous theories (Clark & Melancon, 2013; Vernuccio, 2014).

Nowadays, the majority of businesses use social media to reach a wide audience with their marketing efforts. Participants claimed that, unlike the conventional method, a business may provide daily material to promote its goods and services.

5.4 Customer Satisfaction and Retention

According to earlier research (Sim et al., 2006), a company's profitability and longevity depend on having satisfied customers. Due to their limited resources, small businesses must prioritize customer retention. On the other hand, dissatisfied customers can harm a company's reputation through unfavorable reviews and word-of-mouth. According to the participants, Lumen Lighting mostly focuses on providing good, individualized service to boost customer satisfaction. Consumers are willing to pay more for a high-quality product, according to Barsky and Nash (2003). Nowadays, people place a greater emphasis on value, and price can have a significant impact on client satisfaction and retention.

Additionally, research has demonstrated that maintaining customer loyalty and surviving in the current competitive environment depends significantly on the quality of the services provided (Zeithaml et al., 1996; Su, 2004). The respondents state that Lumen Lighting has a service quality strategy in place that adheres to reliability, accountability, and staff involvement. Gaining a competitive edge and ensuring customer satisfaction also depend heavily on understanding and satisfying client wants and behaviors.

According to Zeithaml et al. (1996), loyal consumers are more advantageous to a business since they are more likely to advocate for the brand. Lumen Lighting does not make financial investments in order to retain its customers. Instead, personal service is more strategically beneficial for them to keep the consumer coming back.

The importance of offering individualized and flexible customer service seems to be a crucial aspect in increasing firm competitiveness, according to the study's findings. This supports the argument made by Stojanova et al. (2012) regarding the competitive position of small and medium-sized firms that smaller businesses might be more adaptable and closer to their clients than bigger enterprises.

Everyone in the discussion agreed that word-of-mouth marketing is one of the best methods for sustaining revenues. Small businesses rely on their clients to promote their brand and their products. These results support the argument made by Dadzie et al. (2017) that word-of-mouth marketing is a potent strategy.

Table 1 An overview of the data analysis

Categories	Theories	Author(s)	Results
Management & Marketing	Independent leadership. The owners engage in marketing activities.	Carson & Cromie (1989)	Results support the theory
	Funded by a single or a small group of individuals		Results support the theory
	Limited to regional or local operations	Carson (1990)	Results support the theory
	Lack of marketing expertise and resource constraints make it tough to conduct market research and select the best promotional strategy.	Berthon et al. (2008)	Results differ from the theory
Marketing Mix	SMEs are unable to use the 4Ps. The least significant variables are Product, Price, and Place.	Reijonen (2010)	Results differ from the theory
	Small businesses mostly concentrate their marketing activities on sales and promotion.		Results differ from the theory
	Innovative methods of marketing, like digital media and the internet, fascinate consumers.	Trivedi (2013)	Results support the theory
Digital Marketing	SMEs must transition from conventional to digital marketing.	Jasra et al. (2011)	Results indicate that they have changed.
	The impact of digitization on SME performance and competitiveness is beneficial.	Taiminen & Karjaluoto (2015)	Results support the theory

	SMEs must adapt to technology and current trends.	Jasra et al. (2011)	Results demonstrate their adaptability.
	Social media changed the way that customers behaved	Kaplan & Haenlein (2010)	Results support the theory
	Digitalization increases customer communication and attracts new clients.	Taiminen & Karjaluoto (2015), Vladimir (2018)	Results support the theories
	Internet connects with a new target market	Chong & Pervan (2007)	Results support the theory
	Investing in a company's technological capabilities to enhance and sell its products and services is an element of seizing opportunities to establish a market position.	Teece (2007)	Results support the theory
Customer Satisfaction	Small businesses have a distinct mindset toward marketing, are more adaptable, and have stronger relationships with their customers.	Hill (2001)	Results support the theory
	In today's competitive world, maintaining high levels of customer satisfaction and retention is essential for business survival.	Su (2004), Choi & Chu (2001)	Results support the theories

The study's specific findings supported the theoretical framework and supported the findings from the literature review.

Digital marketing and the Marketing Mix (4Ps) work together to examine a competitive market, find opportunities for SMEs, and assess threats. The 4Ps can be adjusted in accordance with the increased ability to learn about and evaluate opportunities and risks in a market to achieve and sustain a competitive advantage.

Digital marketing initiatives are essential to a business's success. A company can expand internationally, improve communication, and adjust to the needs and desires of its customers through digitalization. In this study, we came to the conclusion that SMEs can implement a cost leadership strategy by offering the lowest prices while being adaptable to the wants and needs of their clients. In order to maintain their competitive advantage and boost customer satisfaction and retention, they must offer individualized service and affordable prices.

Additional findings increase understanding of the thesis problem and provide data for future research. Semi-structured interviews are a crucial tool for gathering data since they enable the collection of data from many perspectives.

Chapter 6: SUMMARY, CONCLUSION, and RECOMMENDATIONS

The observations, conclusions, and recommendations are summarized in this chapter.

6.1 Summary

This study used the Cyprus-based SME Lumen Lighting Ltd to analyze the marketing tactics and operational results of SMEs.

The thesis aimed to find the fundamental components of SMEs' marketing strategies for market competition using digitalization. To obtain a competitive edge, it is essential to understand how digital marketing affects small businesses and how it has changed the way a company offers its goods and services.

Previous theories have shown that a company finds it challenging to conduct market research and choose a suitable promotional tool due to constraints and a lack of marketing expertise. The literature supports the argument that SMEs compete at a disadvantage to larger companies due to limitations such as marketing budget and marketing competence.

This thesis demonstrated that digital marketing uses fewer resources, such as money and labor than traditional marketing does. This is due to the fact that owners of small businesses may quickly and easily interact with both current and new clients personally as well as more broadly through digital networks like social media, messaging apps, and their own websites. Small business owners' attitudes regarding digital marketing seem to be flexible and open to change.

The results of this research indicated that the most popular customer relationship marketing strategy was the quality of service. Customers remain with the company when relationships between them are enhanced and sustained. The study also found that the most popular digital marketing approach used by SMEs is social media use. Digitalization is seen as one of the least expensive ways for a company to promote its goods and services, share content, and communicate with customers.

The findings of the study show that most small enterprises have already made the switch from traditional to digital marketing and have been continually adapting to the latest developments.

6.2 Conclusions

The study contributed to our understanding of how marketing strategies impact the expansion of small and medium-sized businesses. The findings demonstrated a considerable impact of service strategy, pricing, promotion, location, product, and people on the growth of small businesses.

The results show that price is the main marketing tactic that keeps the company competitive since reduced prices attract clients. In contrast to large enterprises, small businesses also have the advantage of fixing prices quickly. Through digitalization, they may quickly check the prices of their rivals and present a lower price.

Adapting products and services to the preferences of their clients is the second most crucial component of small enterprises' marketing strategies. Unlike big businesses which provide more uniform services, SMEs offer individualized services and tend to be more flexible. Small businesses are more in touch with their consumers and place a high value on human relationships to make them feel special and welcome. This thesis demonstrates that despite competitors' ability to target various client groups and provide a variety of goods and services, small business owners and managers do not perceive competition as a danger.

The third component of SMEs' marketing strategies is the digitalization-based promotion of goods and services. Depending on their financial status, small enterprises adopt a similar digitalization strategy. Few of them make payments to other parties and promotional websites. Businesses use social media and their own websites to advertise their brand and attract clients. Digital marketing made it easier for small businesses to compete in the market because it required fewer resources to sell their products and services. Social media make it simple for businesses to connect with potential customers and learn about their needs and preferences. Businesses can also share content on the same day and convey messages more quickly. As a result, they may offer tailored products and services that are much harder for a larger company to give as they have a longer decision-making process and more uniform offerings.

Prior marketing literature placed more emphasis on big companies' marketing strategies and ways to obtain a competitive edge, and less emphasis on SMEs O'Donnell et al.(2002). Therefore, the goal of the current study was to better understand small and medium firms' marketing strategies. According to the research, small enterprises don't have a standardized marketing structure since they lack marketing resources and specialists (Carson, 1990).

Despite lacking a marketing education, the small business presented in this study showed that it had marketing abilities that are suitable for the sector it worked in and were influenced by digitalization. As a result, small businesses have a lower need for a normal marketing structure as well as financial and human resources.

The marketing mix (4Ps), according to Reijonen (2010), does not seem to work for small businesses because their primary marketing strategies tend to be sales and promotion. The present study, however, demonstrates that small enterprises are customer-centric and place an emphasis on customer service in addition to low prices. The most important priorities for SMEs in Cyprus are price, service, advertising, and location in that order.

This thesis has found crucial implications that small and medium-sized businesses may apply in order to improve their business operations. Although the current thesis is mainly focused on the lighting sector, it can also be applied to other industries.

A small business must recognize its unique characteristics and make advantage of them while formulating its marketing plan. An SME has the advantage of being adaptable and quickly able to change in contrast with larger firms.

The effects of digitalization have given small enterprises new avenues for market competition. Today, despite having fewer resources, small firms may compete with larger ones by using social media to connect with a variety of diverse client segments. On social media, anyone may easily share content. We also understand how critical it is to meet client preferences and wants. By interacting with customers and learning more about their behavior through social media, business owners can better adjust or customize their products and services to suit their customers' needs.

We additionally recognize the value of a SME collaborating with outside parties to increase exposure. When dealing with these third parties, small businesses are not need to invest in marketing campaigns or spend money on either. On the other hand, for SMEs to market themselves and interact with customers, having a website and using social media are equally crucial. Thus, a small business can save money and promote its goods/services independently by developing its own digital channels.

6.3 Recommendations

We identified a few areas where small and medium-sized businesses could enhance the implementation of marketing strategy based on the study's findings. SME owners and

managers must be able to identify the demands and preferences of their target market in order to develop a niche for their product or service. In addition to ensuring customer satisfaction, this will increase their revenue.

To accomplish the desired outcomes, traditional and non-traditional marketing techniques must be used in combination. The most effective marketing strategies for promoting products and services include, for instance, recommendations, promotions, and social media.

Small and medium-sized firms should switch to a more contemporary technological marketing strategy for their operations. Social media utilization will facilitate customer interactions and improve understanding of consumer trends and behavior. According to Ofosu et al. (2013), mobile advertising has a significant impact on customer purchasing decisions. SMEs can utilize mobile marketing to influence customers' purchases by sending text, image, and video advertisements directly to mobile users.

Because traditional barriers to business interactions have been eliminated, different people are able to access information, resources, and services in the most effective and advantageous way possible (Sean de, et al., 2004), making an investment in non-traditional marketing methods viable. Non-traditional marketing techniques can help SMEs reach an audience worldwide at a reduced cost and eliminate the barrier to international marketing.

6.4 Limitations of the Study

Our research, which was done for a small company in the lighting sector, may not be applicable to all other businesses. Since the study was conducted just in Cyprus, it is not possible to extrapolate the findings to the rest of the world because global digitalization may vary. Semi-structured interviews were used to gather primary data. The four chosen interviewees got the chance to express their thoughts and ideas through the use of open-ended questions in the interview format. There may not have been a documented general view due to the relatively small number of participants.

6.5 Suggestions for Further Research

In order to get precise results on how social media and other digital platforms are used by small and medium-sized enterprises, we advise undertaking a quantitative survey for future research. Additionally, a more in-depth analysis of marketing strategies used by companies of

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all sizes, from very tiny to medium-sized, can offer a clearer picture of how they operate. The study's main subject was a small company in Limassol, Cyprus. It is strongly advised to conduct additional research on other SMEs in Cyprus to identify the various marketing methods employed in various areas utilizing a wider sample. To gain new knowledge about the relationship between the effectiveness of marketing strategies and the success of SMEs, a bigger sample size, maybe comparing SMEs, could be used.

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