



## Marketing practices in small and medium sized enterprises (SMEs): The case of Vietnam

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### Abstract

The main purpose of this paper is to obtain a better understanding of the awareness owners/managers of marketing, marketing department organization, marketing planning and marketing – mix activities practicing in Vietnam SMEs. The research will contribute and add the literature for marketing practice in SMEs; semi – structured, in – depth interviews were carried out with the owners/managers of 12 SMES to explore the in-depth information on the status of marketing practice in Vietnam SMEs. These results indicate that there are similarities between SMEs in Vietnam compared to some research on SMEs in Western; Central and Eastern Europe, but also some other characteristics of SMEs found in Vietnam. Based on the results of this study, the authors propose some advice for SMEs in Vietnam.

**Keywords:** marketing activities, marketing practice, SMEs, qualitative research, Vietnam

### 1. Introduction

Since The Enterprise Law was published, Vietnam had 941.000 companies established registered, in which SMEs is about 97% in totally. To 31/12/2015, nearly a half of enterprises have ceased operations or dissolution (428,000 enterprises, accounted for 45.5%) <sup>[1]</sup>. In the trend of globalization, international economic integration of the contemporary economy brings both opportunities and challenges for Vietnam. Facing with these challenges and fierce competition, SMEs may stop functioning and bankruptcy. One of the causes of failure in the SMEs is attributed to shortcomings in marketing activities (McCartan-Quinn & Carson, 2003 <sup>[5]</sup>; Simpson & Taylor, 2002; Hisrich, 1989) <sup>[25]</sup>. A better understanding of SMEs marketing is therefore needed and can help Vietnam SMEs improve their performance (Bodlaj & Rosek, 2014) <sup>[4]</sup>.

Standard marketing literature has generally focused on established large firms. Hence, the mentioned theories are impossible to apply in directly for SMEs which is incompatible with the entrepreneurial nature of small firms (Carson *et al.*, 1995) <sup>[17]</sup> and is therefore not easily transferable to such firms (Simpson *et al.*, 2011) <sup>[10]</sup> because there are significant difference in marketing activities between SMEs and large enterprises (Carson *et al.*, 1995; Gilmore, Carson & Grant, 2001) <sup>[6, 10]</sup>. Thus, the needs for studies to examine marketing activities in SMEs and develop the marketing theoretical basis for this business.

The extant studies have examined SMEs marketing in the Western, developed economies, particularly in the United States and the United Kingdom and Central and East Europe – the case of Slovenia, Czech Republic, Poland, Croatia, Russia, Bulgaria, Germany but still a lack of research on the complete marketing activities of SMEs. In particular, in Vietnam, there is rarely research on this issue, so the authors conducted this study, which is beginning research, setting the foundation for further studies in marketing activities of SMEs in order to obtain a better understanding of the awareness owners/managers of marketing, marketing department organizations, marketing planning, and marketing – mix activities practice in Vietnam SMEs.

### 2. Literature review

#### 2.1 Small and medium sized enterprises

The concept of “small and medium sized enterprises” was used in the business literature; the extant theory has difference definitions and classifications on this issue. In Vietnam, SMEs are defined in Government Decree No.56/2009/NĐ-CP on supporting SMEs development: “SMEs are defined as legal entities in undertaking permanent business activities which are divided into three main categories: micro, small and medium following total capital (total equity equals the total assets are defined in the balance sheet of the business) or the number of employees per year (total capital is the priority criteria)”, as follows:

<sup>1</sup> Data reported by Vietnam Chamber of Commerce and Industry (VCCI) 12/2015.

**Table 1:** Criteria of SMEs categories in Vietnam

Areas	Categories				
	Micro	Small		Medium	
	Number of employees (people)	Total capital (billion VND)	Number of employees (people)	Total capital (billion VND)	Number of employees (people)
I. Agriculture, forestry and seafood	≤10	≤20	10< to ≤200	20 < to ≤100	200< to ≤300
II. Industry and construction	≤11	≤21	10< to ≤200	20 < to ≤ 200	200< to ≤300
III. Commercial and Service	≤12	≤22	10< to ≤50	10 < to ≤ 50	50<to ≤100

Source: Based on the Government Decree No. 56/2009/NĐ-CP)

**2.2 The chatericstic of SMEs Marketing**

Carson, 1985 [21] in a review of the marketing characteristics of small enterprises noted that the owners/managers tend to have negative attitudes to marketing; perceive marketing as a cost; treat distribution and selling as uncontrollable problems. These are a general weakness in marketing by small firms and suggest that this may arise because they have difficulty in attracting and affording qualified personnel. The same point of view, Gaedeke and Tootelian (1980) [16] suggest that SME owners need to become an expert in their company's various positions, unlike large businesses, the managers undertake a different position and have the opportunity to use more expertise in that position. Seen from the perspective of marketing, these characteristics of SMEs will become limited. SMEs face three broad types of constraints: limited resources, a lack of specialist expertise, and a limited impact on the market place (Carson *et al.*, 1985; Carson & Cromie, 1990; Hisrich, 1992) [17, 10, 18]. Due to these characteristics of the owner/manager and the limited resources lead to a distinctive marketing style which can be described as in formal, unstructured, pragmatic, haphazard, spontaneous, simple, reactive to competitor activity and customer demand, and reliant on intuitive ideas and common sense (Carson *et al.*, 1995; Carson & Gilmore, 2000; Gilmore *et al.*, 2001) [17, 10]. O'Donnell, 2011 have synthesized the numerous of studies on this issue and presented an overview of the features of SME marketing activities. SME owner-managers rarely make, or adhere to, formal plans. At a small firm's inception, products are often specially designed for customers (Tyebjee *et al.*, 1983) and, indeed, small firms are often founded on the strength of their products (Ford and Rowley, 1979). Most firms employ some form of cost-plus pricing, while bearing in mind a number of secondary factors (Carson *et al.*, 1998) [17]. The most dominant of the secondary influencing factors is what competitors are charging (Carson *et al.*, 1998; Dragnic, 2009) [17]. Because of his desire for control, SME may want to select a direct channel of distribution, but because of the time and financial resources involved, may resort to indirect

channels (Teach, 1990).

**3. Methodology**

**3.1 The pilot study**

In order to appreciate the study setting and test the questions for open-ended interviews, the pilot study involving face-to-face interviews with two SME owners/managers was undertaken. Two businesses are operating in education and manufacturing sectors in Da Nang. The pilot study results, two questions were added in questionnaire (Table 2): (8a) Could you tell me something about your marketing plans: formal plan or informal one? (8g) Do your company organize marketing activities assessment after performing?

**3.2 The main study**

The aim of this study is to achieve a better insight into the feature of Vietnam SMEs and in view of the exploratory nature of this research, it was decided, a qualitative research, in-depth interviews was selected as the data collection tool. In-depth interview has used in the previous researches on SMEs marketing (e.g. Carson & Cromie, 1990; Blankson & Omar, 2002; Blankson *et al.*, 2006; O'Donnell, 2011; Bodlaj & Rosek, 2014) [4, 17].

Curran and Blackburn (1994) view in-depth interviews using semi-structured interview schedules, as one of the most effective strategies for collecting data from owner-managers of SMEs. In-depth interviews were the suitable technique for broadening the scope of our research and to raise further issues that would subsequently underpin a quantitative study (Holley *et al.*, 1998).

The questions employed in questionnaire in this study were open-ended questions and from the related researches (Carson & Cromie, 1990; Blankson, Motwani và Levenburg, 2006; O'Donnell, 2011; Resnick, Cheng, Brindley & Foster, 2011; Bodlaj và Rosek, 2014 [4, 17, 3]; Coviello, Brodie và Munro, 2000; Gilmore, Carson & Grant, 2001; Hooley, Lynch & Shepherd, 2000) [10, 17] because these are foundational studies and high generality; are widely used for further studies (Table 2).

**Table 2:** The main study questionnaire

<b>A. The awareness of marketing</b>
(1) How is marketing understood by the owner/manager?
(2) What is the importance of marketing activity in your firm?
(3) What is the importance of marketing training in your company?
(4) How do the interviewed firms describe their market and which important changes have they recognized in recent years?
(5)What is the importance of existing customers compared with new ones?
<b>B. Marketing Department Organization</b>
(6) Has your company a separate marketing department? What is the importance of marketing department in your company?

(7) Who is responsible for marketing within the firm?
C. Marketing Planning
(8) Do the interviewed firms plan their marketing activities? Could you tell me something about?
a. Formal plan or informal one?
b. What time for a marketing plan? Short-term (<1year), medium-term (1-3 years) or longer-term (>3years)?
c. Who is the person in-charge for marketing planning?
d. Who is the person in-charge for marketing activities implementation?
e. What are the main marketing activities in marketing plan of your company?
f. What activities are your company invested the most resources (people, time, money) in?
g. Do your company evaluate marketing activities after implement?
(9) What activities are your company resources (people, time, money) invested in?
(10) How do the interviewed firms gather information about their market?
D. Marketing – mix Activities
(11) What are the main characteristics of their marketing mix?
a. Let’s tell me about product management structure. What sources of information do your company get to develop new products?
b. Could you tell me how you go about setting the price(s) for your products/services? Could you tell me about the factors effect on setting the price?
c. How do you supply your products/service?
d. What purpose of promotion in your company? What methods do you use to promote your products/services?

### 3.3 The sample and data collection

A convenient sample selection was used in this study. SMEs fulfilling the two criteria were selected, these pertained to a number of employees and total capital. Moreover, the SMEs sample across a variety of sectors in order to the sample was highly represented (Table 3). Additionally, this sample size is consistent with the relevant researches (e.g, Omar, 1997 (12 samples); Hooley *et al.*, 1998 (11 samples in Hungary, 12 in Finland and 11 in Slovenia); Doherty, 2000 (7) <sup>[11]</sup>; Ankers and Brennan, 2002 (10) <sup>[1]</sup>; Blankson, Motwani & Levenburg, 2006 (12 samples) <sup>[3]</sup>.

### 3.4 Conducting the interview

In order to a successful interview, the author telephoned or send email to the owners/managers of SMEs to arranged appointments for the interviews. Addition, a questionnaire and prepared the script were applied to all the interviews in order to ensure flexibility and consistency in collecting data. Interviews were conducted with 12 owners/managers in Vietnam, face-to-face or telephoned and audio-recorded, lasted about 45–60 minutes, from March to April 2016. In qualitative research, the role of the interviewer is extremely important and has a direct impact on the quality of the collected information. The interviewer will avoid imposing suggestive comments to the participant’s answers to ensure the objectivity of the collected information (Turner, 2010).

**Table 3:** Profile of firms participating in the empirical interview

Type	No employees	Total Capital (billion VND)	In-depth interview method
Wholesale and retail of fashion	25	20	Telephone
Design, consultancy and software installation	14	10	Face-to-face
Hotel and departments	60	75	Face-to-face
Manufacture and sale of paint in building	100	80	Face-to-face
Spa & Massage Service	110	35	Face-to-face
Manufacture, wholesale and retail of fresh cakes and sugar confectionery	80	15	Face-to-face
Consultancy and construction of building hotel	30	10	Face-to-face
Wholesale of spraying systems in industrial	25	40	Telephone
Sale of construction materials and transports	21	60	Telephone
Education	25	15	Face-to-face
Manufacture and printing of barcode	20	50	Telephone
Tourism services	60	30	Face-to-face

## 4. Summary of results

Respondents’ answers were analyzed by using inductive reasoning, following good practice in the literature and the results of the qualitative research with in-depth interview 12 owners/managers in Vietnam SMEs. Thus, the authors can summary the main findings are as follows:

### 4.1 The awareness of owners/managers

#### 4.1.1 The understanding of marketing

Marketing tends to be narrowly understanding by the majority of respondents, defined as "advertisement" (5/27); "introduce

information on products or services" (7/27); "sales" (5/27) as "sales" (2/27), "support sale" (1/27), "increase sales" (2/27); "media" (3/27) and. In addition, few respondents also mentioned marketing is "branding" (2/27); "PR" (1/27); "guarantee", "aftersales" (2/27). However, it is more interested that there is a few broader understanding of marketing which should be considered as the answer of a respondent: "Marketing is an important activity of our enterprise that supporting and creating needs for products/services and helping businesses expand and dominate our market" (1/27) or as is evident from the

following statement: “Marketing is all activities or methods to supply products/services customers and to help them to reach and satisfy their purposes. When we help clients achieve their goals, we also achieve the goals (1/27).

**Table 4a:** The understanding of marketing

Interviewees	Words
1	media, product/service introduction
2	sales, product/service introduction
3	product/service introduction, guarantee, aftersales
4	advertisements, media, branding
5	Support sale, increase sales
6	advertisements, branding
7	product/service introduction, advertisements, describe product
8	sales, satisfy purpose
9	Create needs
10	product/service introduction
11	advertisements, media, PR, increase sales
12	advertisements, product/service introduction

**Table 4b:** The understanding of marketing

Groups	Words and frequency	Frequency
media	media (3)	3
product/service introduction	product/service introduction (6)	6
	describe product (1)	1
sales	sales (2), support ale (1), increase sales (2)	5
aftersales	guarantee (1), aftersales (1)	2
advertisements	advertisements (5)	5
purpose	Satisfy purpose (1)	1
needs	create needs (1)	1
PR	PR (1)	1
branding	branding (2)	2
Sum		27

**4.1.2 The importance of marketing**

In contrast to these narrow understandings of marketing, it is relatively encouraging that most of the interviewees (10/12) supposed that marketing is vital and extremely important in their firms because it is “open-door” activity, seeking customers for their enterprise and “it can impact on company’s reputation”. However, there are several participants (2/12) answered that “marketing is not important which is only support activity for sale”.

**Table 5:** The importance of marketing

Groups	Words and frequency	Frequency
important	attract customers (1), help sale products (4), increase revenue (1), affect reputation (3), market share development (1)	10
not important	Only support for sales (2)	2
Sum		12

**4.1.3 The importance of training marketing staff**

All of the respondents agreed that marketing staff training is critical, but 9/12 interviews said that their companies do not organize training activity because it is simply that “we must

consider all expenses” (5/12) and “we have no time” (2/12) and “we recruit the trained staff in marketing before work in our company” (2/12) In contrast, several companies (3/12) have organized training marketing for the staff as “our company give our staff some training in centers” or “managers organize short-courses for training” or “their colleagues have trained together” and it depends on the level of performance of each business.

**Table 6:** The importance of training marketing staff

Groups	Words and frequency	Frequency
not training	waste of money (5), no time (2), recruit trained staff (2)	9
training	Short course of training (1), training centers (1), colleague guidance (1)	3
Sum		12

**4.1.4 Market description and its changed in several years**

Most of the companies replied that their companies do not have a specific market, and the description of target customer are also very general and simple as: “Our target customers are wholesale, retail and in construction sector” or “We mainly focus on Japanese tourists, business travelers, and conference guests”. However, only two people can give more detailed information. Only one person does not describe and segment their customers as “We focused on everyone. Who buys the products of our company, they will become our customers”? Based on of the results, 22/31 words have given by most respondents that shows the negative changes of market that make their business becomes more difficult because of “more new competitors (7/31)”, “the speed of market changes too fast (3/31) with many alternative products (2/31)” or “customers become stricter (2/31), more intelligent in selection (1/31)”, “foreign competitors have more modern technology than domestic ones (1/31)”, “the changes of living standard (1/31)”. Their businesses are affected by “inflation”(1/31), “economic crisis”(1/31), “the exchange rate changes and low purchasing power (2/31) ”. Several statements 7/31 show that the market has positive changes and growth, “more customers know their company” (5/31), “increase market share” (1/31) and “more needs” (1/31) (Table 7c)

**Table 7a:** The answers of respondents

Interviewees	Words
1	More competitors, market change so fast
2	Stricter decision, more intelligent choice, market change so fast, more alternative products
3	Market change so fast, more needs, more alternative products
4	More competitors, living stand are changes, inflation, choice base price
5	More competitors, choice base price, choice base brand
6	Increase customers
7	More competitors, exchange rate changes
8	Stricter selection, low purchasing power
9	Many products
10	Increase market share, more customers
11	More competitors, increase customers
12	Economy iccrisis, many competitors, foreign companies appearance

**Table 7b:** Market description and its changed in several years

Groups	Words and frequency	Frequency
market change so fast	market change so fast (3)	3
More competitors	More competitors (7)	7
more alternative products	more alternative products (2)	2
Stricter decision	stricter decision (2), choice base price (2), choice base brand (1), more intelligent choice (1)	6
More customers	Increase customers (4), more customers (1)	5
Increase market share	Increase market share (1)	1
Economic crisis	Economic crisis (1)	1
Living standard changes	Living standard changes (1)	1
More needs	More needs (1)	1
Inflation	Inflation (1)	1
Exchange rate changes	Exchange rate changes	1
Low purchasing power	Low purchasing power	1
Foreign companies appearances	Foreign companies appearance (1)	1

**Table 7c:** Market description and its changed in several years

Groups	Words and frequency	Frequency
Positive changes	Increase customers (5), increase market share (1), more needs (1)	7
Negative changes	market change so fast (3), more competitors (7), more alternative products (2), stricter decision (2), choice base price (2), choice base brand (1), more intelligent choice (1), economic crisis (1), living standard changes (1), inflation (1), foreign companies appearance (1), exchange rate changes (1), low purchasing power (1)	24
Sum		31

Besides that, all interviewees said that they do not conduct market research because of costs and time. For example: "We have no time to research market because it is so long to get the necessary information " or "when we have the results of market research, our customers have changed another style. I suppose that it is wasting of time, expenses and not necessary". More specifically, "marketing research seems unrealistic in my company".

**4.1.5 The importance of existing customers and new customers**

8/12 respondents highly appreciated the role of existing customers, these companies have good services to retain existing customers because existing customers help our firms "sell consumable goods" (1/12), "provide stable revenue" (2/12). Additionally, "existing customers will acquire new customers through word-of-mouth (1/12), they will introduce their friends about our products and we will add new clients". Besides, "they will help our company to find new clients" (2/12). When the author request details, several companies (4/12) claimed that both existing customers and new ones are important, they have a positive recognition for new customers as "the company wants to grow market shares (2/12), develop sustainably and overtake competitors (2/12), there must be

new customers although the existing customers are cheaper to take care".

**Table 8:** The importance of existing customers and new customers

Groups	Words and frequency	Frequency
existing customers are more important	Sell consumable goods (1), provides stable revenue (2), word-of-mouth tool (1), help find new clients (2), more expensive to find new customers (2)	8
both existing customers and new ones are important	Grow market share (2), overtake competitors (1), sustainable development (1)	4
Sum		12

**4.2 The organization of marketing departments**

As unexpected, only one firm replied that it would be better if there were existing marketing department in the company, according to the statement "We have an independent marketing department since it will produce sales and profits for our business" (1/12). In contrast, most respondents (9/12) mentioned the same information "Our enterprise has no marketing department instead of a sales department and some staff in a sales department will be responsible for marketing" or other statement "We only need a sales department which will acquire clients for our company" or the latter suggested that "Because the size of company is not large, we will combine a sales department and a marketing department". Only 2/12 respondents supposed that their companies have no marketing departments and sales ones".

**Table 9:** The organization of marketing departments

Groups	Words and frequency	Frequency
have an independent marketing department	Increase sales and profits (1)	1
have no marketing department	have sales department (9)	9
	nothing (2)	2
Sum		12

**4.2 Marketing planning**

As expected, more than half of participants (6/12) said that "We prepare formal marketing plans". Several interviews mentioned that: "Our company prepares both formal plans and informal ones" (2/12). And two interviewees said that: "Our firms only have informal marketing plans" (2/12). The object of informal plans is about 2-4 days or several weeks depends on the market changes. For example, "We catch up market changes to the informal marketing planning. When we obtain new trends of fashion in Korea films, my company immediately marketing planning within a few days for new products, advertising them and this time our sales increased sharply". In contrast, only two interviewees supposed that their firms have no marketing planning since "we can make decisions more quickly to respond to the marketing instead of marketing planning and compliance with that plan". It is optimistic for marketing planning in SMEs that 9/12

companies claimed that they have made marketing plans but their objectives are usually a quarter or a year, the long-term plans are rarely performed in their firms. Existing only one firm (1/12) concentrate on marketing plans for short-term

(quarter), middle-term (1-3 years) and long-term (over 3 years). However, they mentioned that “We did not implement completely plans that need to be flexible enough to catch up market changes”.

**Table 10:** Marketing planning

Groups	Words	Detail	Frequency
Formal plan or informal one	Have market in plans	Both formal and un formal	2
		Only formal	6
		Only informal	2
	Have no marketing plan	cangivedecisionsimediately	2
Time for a marketing plan	Have marketing plans	shorter (several days, a week, a quarter) or midterm (a year)	9
		both shorter, middle-term and long-term	1
Person who is responsible for marketing planning	Chief marketing officer		1
	director		2
	Sale manager		6
	outsource		1
Person who is responsible for marketing activities implementation	Sale unit		6
	Marketing department		1
	all employees		3
	director and several employees		2
Most invested (money, time and labor) activity in their plans	Trade fairs		1
	Personal selling		7
	Marketing online		6
	PR		2
	marketing at business location		2
Do your company organize marketing activities assessment after performing	Organize plan assessment	base on sales, profits	4
	do not organize plans assessment	waste of money, have no time	6

It is not surprised that 6/12 people showed that “sale manager is in-charge of marketing planning. However, only respondent said that “chief marketing officer” (1/12). Beside that two interviewees (2/12) supposed that our director will in-charge of marketing planning. And there is only one firm outsource introduce their products to customers (1/12). Additionally, a half of respondents (6/12) mentioned that “sale unit have been in-charge of marketing activities implementation”, only person (1/12) said that “a marketing department”, 3/12 showed that “all employees in our company must carry out marketing activities” and “director and several employees” were the answers of the others (2/12). Most of the cases (7/18) the focus is on “personal selling” when they mentioned activities that firms most invested (money, time and labor) in their plans. The latter suggests that “PR, sponsors (2/18), marketing at business locations (2/18) are the activities which firms more invested because it enhances business brands”. Besides other firms claimed that “they spend most expenses of marketing when participating trade fairs” (1/18) and “marketing online” (6/18) to save expenses and highly efficiency. After marketing plans implementation, 4/10 respondents believed that companies have held to evaluate plans. More detail, they said that "Our company evaluated based on sales and profits compared with the costs and the development of the market" or “We evaluate the effective of marketing activities based on the results”. The remaining statements refer the information “It is difficult to evaluate plans which are successful or fail”. More detailed, they said, “We do not

organize plans assessment because there is no time and expenses” (6/12)

**4.4 Marketing-mix activities**

**4.4.1 Main sources of ideas to develop new products**

Half of respondents said that they receive customer’s feedbacks on new ideas. They obtained to customer’s information with a short questionnaire (2/19) after clients use their products/services. Some cases, they communicate face-to-face or telephone (4/19) to get the information of clients. Several respondents supposed that the source of new ideas to develop new products from competitors (3/19). Firms can probe the actions of competitors or imitate competitors’ products to give new product ideas. Actually, the development of social network has positive effect on SMEs, some answers that the information on social network is beneficial sources to produce new products (3/19). Besides that, the information from markets as the market needs (3/19), market research (2/19), trends change of customers (1/19), superstar (1/19) also main sources of ideas to develop new products (Table 11a).

**4.4.2 Price setting**

It is obvious that cost is a key factor which effect on SMEs and setting the price is no exception. The respondents (11/12) most frequently mentioned that a cost-plus method. Only one company (1/12) mentioned that they set the price according to their competitors. Besides, setting the price in companies also affected additional

factors: expenses (5/17), exchange rate (1/17), customers' needs (2/17), seasonal factors (4/17), the number of products (2/17) and competitors (3/17) (Table 11a).

**4.4.3 Distribution activities**

All respondents (12/12) claimed that they use direct

distribution channel in order to supplying their products to customers. Additionally, less than half of interviews (5/12) mentioned that "apart from direct channels they also use indirect channels: through some dealers, wholesalers or brokers" (Table 11a).

**Table 11a: Marketing-mix activities**

Groups	Words and frequency	Frequency	Sum of word	
Main sources of ideas to develop new products	Feedback customers (6) include: questionnaire (2), face-to-face or telephone (4)	6	19	
	superstar (1)	1		
	Market research (2), market trends (1), customer's needs (3)	6		
	social network(3)	3		
	competitors (3)	3		
Price setting	Price setting methods	competitors (1)	1	12
		cost plus (11)	11	
	Factors affect	competitors (3)	3	17
		seasonal factors (4)	4	
		Exchange rate (1)	1	
		expenses (5)	5	
		customers (2)	2	
		Product numbers (2)	2	
Distribution activities	direct channel (12)	12	12	
	indirect channels: dealers (1), wholesalers (2) or brokers (2)	5	5	

**4.4.4 Promotion activities**

All of the cases, the leading purposes of promotion practices are "product's introduction" (5/19), "increasing sales" (2/19), "increase customer" (3/19) "getting target profit" (3/19), "advertisement" (1/19), "achieve the revenue" (2/19), "to find new customer" (1/19) and "creating customer's motivation" (2/19). Generally, the most frequently marketing activities mentioned were advertising.

As the results table 11b, there is a wide range of promotion methods used by the respondents. However, social media marketing, online marketing or internet marketing seems to be the mean most used by SMEs because these companied

showed that it helps our company save money. They also believed that marketing at point-of-sale is a benefit method to support better sales. Besides, the remaining statements mentioned many other means that the most frequently practices are personal selling and direct marketing. However, the least marketing activities mentioned by the interviewees are "trade fair participation" (1/46), "events" (1/46), "PR" (1/46), "word-of-mouth" (WOM) (1/46), "SMS advertising" (1/46). It is surprised that no firm used advertising on television or radio because they believed that advertising on television/radio is so expensive.

**Table 11b: Marketing-mix activities**

Groups	Words	Frequency	Sum of word	
Promotion activities	purpose of promotion	Introduce company and product (5)	5	19
		Gettar get profit (3)	3	
		Achive revenue (2)	2	
		Increase sales (2)	2	
		Increase customer (3)	3	
		Advertise ment(1)	1	
		Find the new customer (1)	1	
		Creating customers motivation (2)	2	
		Social media marketing	3	
	online advertising; internet advertising	7		
	direct sales	3		
	flyer	2		
	banner	3		
	web banner	1		
	direct advertising	2		
	brochure, catalogue	3		
	email advertising	3		
	events	1		
	trade fair	1		

		voucher	3	
		promotion	1	
		mobile marketing: short message service (1), sale call (3)	4	
		trade marketing, shopper marketing	3	
		branding	2	
		PR	1	
		event sponsorship	1	
		Online new papers	4	
		word-of-mouth	1	

## 5. Discussion

With the information of in-depth interviews with 12 the owners/managers in SMEs, owners/managers in SMEs tends to have the narrow understandings of marketing as “advertising”, “sale”, “to increase sales” whilst it is harder to find broader understandings. Additionally, there are difference understandings of marketing by owners/managers. This result also similar to many previous studies on this issue (e.g. Carson, 1985; Hisrich, 1992; Dragnic, 2009; Bodlaj & Rosek, 2014) [4, 10, 18]. In spite of the limited perspective on marketing, the respondents do not underestimate the importance of marketing. The marketing training courses rarely organize in SMEs because of costs and time. In several recent years, it is so difficult for business activities because “more and more strong competitors” and “the customers become more intelligent in their selection”. Owners/managers noted that existing customers are considered the valuable asset than new customers because they help SMEs in remaining a sustainable profitability and selling consumable goods. Besides, the existing customers are cheaper to serve than new ones and are an effective WOM tool. In these studies, Curran and Blackburn, 1994; Carson *et al* [21]. 1998; Stokes, 1999, 2000, the respondents most frequently that existing customers are effective WOM but in this studies, only one firm mentioned that.

The authors find the similarities viewpoint between Vietnam SMEs in this study and some other in the previous studies. Specifically, independent departments are responsible for marketing or sale, which are also limited existing in Vietnam SMEs. There is a difference with regard to the presence of a marketing department, while the marketing function as a separate unit does not exist in any of the analyzed Slovenian small firms (Bodlaj *et al.*, 2014) [4], Vietnam SMEs finds having a marketing department in charge of marketing.

An interesting issue worthy of mention is that the vast majority of owners/managers have marketing planning but most of these have unofficial marketing plans in short-term. Yet, generally, marketing plans are performed dynamically and flexibly by firms according to the market changes. This is also in line with the studies of Crvelin & Bakula, 2006; Dragnić, 2009, Bodlaj *et al.*, 2014 [4]. Unexpected, most firms find hard to assess marketing plans after carried out them. Furthermore, most companies most invested money, time and labor in marketing activities as direct selling at point of sale and marketing online.

The sources of market information most frequently mentioned were communication with customers lead to propose ideas for new products. This result is in line with this studies of Gilmore and Carson, 1999 [17]; Burke and Jarratt, 2004; Berthon *et al.*, 2008; Dragnic, 2009. Furthermore, SMEs also

find beneficial information from competitors and social network. It is surprised that Vietnam SMEs almost do not conduct market research due to their awareness and costs. In almost all cases, costs are the most effect factor when setting the price, not only in Vietnam but also in some other countries (Hankinson, 1991; Carson *et al.*, 1998) [13]. Most of SMEs in Vietnam use both direct and indirect distribution channels.

The main purposes of communication in SMEs are the introduction of product and company, supplying information on products, seeking customers. The marketing activities most referred advertise via the social network. No firms, nevertheless, advertisement in television or radio.

Based on these findings, the authors advise owners/managers to raise their awareness of marketing to propose helpful policies. Furthermore, firms are recommended to organize the staff training course on marketing because both marketing knowledge and skills are extremely important to meet customer satisfaction. Besides, enterprises should determine market and customers target specifically and clearly. In addition, marketing activity assessment is encouraged after implement marketing plan. In the area of setting the price, firms are advised to concern not only costs but also the customer’s awareness of products/services. Finally, SMEs are recommended to research their market to obtain further useful information in their business activities.

A possible limitation of this research is that relating to the characteristics of in-depth interview with open-ended questions in questionnaire which require the respondent’s cooperation. Actually, it takes long time for respondents to supply the depth information. Moreover, because the respondents in this study are owners/managers, so it is difficult for the authors to receive the approval. Finally, perhaps the greatest perceived limitation of the study pertains to the exploratory nature of the study based on a small sample and convenient sample methods. This not be represented generalizations concerning SMEs in Vietnam can be made.

As this exploratory study has attempted to provide insights into current of marketing practices in Vietnam SMEs. It may provide a starting point for future research on SMEs marketing in Vietnam. There are several areas for that future research. Firstly, this study could be carried out qualitative research using a large sample based on these findings as well as pose practical solutions for SMEs. Secondly, it would be worth comparing marketing practices of large firms and SMEs, Vietnam and several countries in the region. Thirdly, further research can use cluster sampling method in order to the collected sample represent the overall. Finally, this study of marketing practices in SMEs should be conducted regularly because these activities are constantly changing through each time.

## 6. References

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