Excellence in Drawing up Marketing Mix Strategies for Small and Medium Enterprises (SMEs) and Their Impact on the Marketing Performance

Zahed Al-Samirae (Corresponding Author)
Department of Marketing, Faculty of Business and Management Sciences, Amman Arab University – Amman, Jordan
Email: zahed1948@yahoo.com

Motteh S. Alshibly
Department of Marketing, Faculty of Business and Management Sciences, Amman Arab University – Amman, Jordan

Mahmoud Alghizzawi
Department of Marketing, Faculty of Business and Management Sciences, University Sultan Zainal Abidin – Kuala Terengganu, Malaysia

Abstract
This research aims at identifying the impact of excellence in drawing up the following four marketing mix strategies (Product, Pricing, Promotion and Distribution) of the small and medium enterprises in Jordan, in terms of their marketing performance in its dimensions (Sales Growth, Profit Growth, Customer Attraction and Customer Retention). In order to reach the results of this study, a total of (187) valid questionnaire surveys were collected from companies belong to the SME Association in Jordan. The Statistical Package for the Social Sciences (SPSS) approach was used to analyze the collected data. The empirical results indicated there is a significant relationship between the building of marketing strategies of the marketing mix elements in the Jordanian SME and their marketing performance, by (sales growth, profit growth, customer attraction, and customer retention) dimensions. Consequently, decision makers in small and medium organizations need to choose strategies based on their target market to the positive impact on the mind of the consumer, which in turn could improve modern scientific methods in SME to divide their markets into sub-market sectors.

Keywords: Marketing mix elements; Marketing performance; Small and medium enterprises (SMEs); Jordan.

1. Introduction
Small and medium Companies occupy an exceptional importance in the interests of countries seeking to develop their economies, especially after the world's development by different new technology (Alghizzawi, 2019; Habies et al., 2018a; Motteh Saleh al-shibly and Bashra, 2018; Salloum, 2019). The economies move towards the free economy because the ability of institutions to influence the development for industrial and commercial sector revenues, increase their contribution to GDP as well as to support the sustainable development of the national economy (Ayyagarai et al., 2003; Beck and Demirguc-Kunt, 2006). In a country such as Jordan, which has limited resources and seeks to develop and improve the different sectors of the national economy (Alghizzawi, 2018; Alghizzawi et al., 2018; Habies et al., 2018c; Habies et al., 2018b). The administrations of small and medium industrial and commercial enterprises should increase their interest in accelerating the development and production of their products, as these enterprises have a share, in the Jordanian GDP, of about (17%). According to an interview with the Chairman of SMEs Association Mr. al-Jaghbari. The process of accelerating the development production and marketing of the products for such type of enterprises requires knowledge of their administration how can the development strategies and programs for the marketing mix elements in terms of product planning, pricing, distribution, marketing and promotion, affect performance of marketing elements, namely: (Sales growth, Profit Growth, Customer Attraction and Customer Retention) and then supporting the national economy (Al-Shibly and Hamdan, 2017; Thabit and Raewf, 2018).

The knowledge of these enterprises’ administration of the alternatives of marketing strategies can adopted and how to build such plans and programs for their marketing mix elements after identifying its impact and role, gives them the ability to solve many of its administrative and financial problems. This is what have been raised by one study (Al-Bakri and Katsioloudes, 2015; Arab Journal, 2015). Thus, it will drive them to develop its product and then achieve excellence and competition (Abu-EL-Samen, 2011; Akroush, 2010). They can also build confidence between them and the public who will find reliable products of well-known brands, with acceptable quality and prices in the local market. On the other hand, it can contribute in the success of the production and marketing of the national product, choosing a marketing strategy proper to the status and potential of SMEs and building its marketing mix strategies became of increasing importance, particularly in countries that seek development, such as Jordan. This is because of their role and impact on the performance of such organizations and thus on the development of their economies on the other hand (Taiwo et al., 2012). The concern in drawing up marketing mix strategies of the (SMEs) with its four dimensions will have important results on their revenues, market share growth as well as customers’ satisfaction which faces severe competition (Mohammadi et al., 2018). Hence, the topic of
this research was chosen to be on the Jordanian Small and Medium Enterprises Association, which was established in 2007 and includes some 250 enterprises. This research is expected to contribute to supporting these administrations and their activities and the development number of recommendations to discuss some weaknesses and positively influence the development of their marketing revenues to achieve its own objectives and its contribution to supporting production and national economy. The value of this study is shown by the great importance of the expected success achieved by small and medium companies in supporting and grow the Jordanian economy through its marketing of a national product capable of satisfying the needs of local consumers and through what it can contribute to the exports by providing national income that supports economically and socially the national development process.

2. Literature Review

An important first step in each study is a review of previous literature. In this study, researchers revert to relevant studies about the effect of marketing mix strategies (Product, Pricing, Promotion and Distribution) of the small and medium enterprises in Jordan, on terms of their marketing performance. The study of Damaty (2011) for identifying the status of the marketing mix, namely the following dimensions (Service, Service Pricing, Location and Time of Service Delivery, Service Promotion, Banking Operations, Quality of Services, Employee Performance and Physical Appearance) in the commercial banks working in the West Bank and measuring the customer satisfaction towards the status of the marketing mix., Upon the statistical analysis of the data, it has been found that there is a satisfaction by many customers about the status of the marketing mix within the commercial banks working in the West Bank, where it has been found that (91.7%) of the customers satisfied with reality of the marketing mix in terms of its elements. According to Mu‘alla (2014)which aimed to identifying the effect of the marketing mix of the optical medical products represented in (the characteristics of the optical medical product, pricing, promotion and distribution) on its marketing performance within the optics industry in Jordan, Where the study population consisted of all the (415) optics companies and establishments, However, the sample of the study was a random sample represented (26%) of the basic population of the study. The total size of the sample amounted (108) companies and establishments working in the optics industry and trade. The empirical results indicated that there is statistically significant effect of the marketing mix elements of optical medical products on their marketing performance at the significance level of (0.05), but through pricing and distribution elements. Obaidat (2008), study this research paper examined the impact of marketing strategy on business performance, with particular note to the selected SME within the local government area of Oluyul, Nigeria. The research survey method used in this study and the (Self-Assessment Form) questionnaire was used to collect data from 130 respondents) by using the closed questionnaire designed by the researchers. The results showed that independent variables (i.e. Product, Promotion, Location, Price, Packaging and After-sales service) were important common estimates for business performance in terms of profitability, market share and the return on investment, GbolagadeAdewale and Oyewale (2013) This study aimed to analyzing the consumer satisfaction of the marketing mix of the diesel fuel sector conducted on a sample of (101) fuel consumers over three governorates. The study showed the consumer satisfaction with the nature of the fuel, taking into account the importance availability of product, prices, sales points, and product promotion and consumer expenditure. It also emphasized the need to improve product quality and development as well as the diversity of the products, finally Basol et al. (2005) this paper looking forward at identifying the impact of the market-oriented planning and other strategic alternatives on performance, targeted a sample of the marketing managers of the leading US projects. The study found that the knowledge of the market, which means the knowledge of consumers, competitors and other environmental variables, are of great importance affecting on the select of strategic alternative which enable the project to increase its market share and maximize profits.

3. Research Model

The model was suggested provided that the independent variable shall be one of the four marketing mix elements dimensions (Product strategy, Pricing strategy, Distribution strategy, Promotion strategy), while the dependent variable shall represent the marketing performance of SME with its four dimensions (Sales growth, Profit growth, Customer attraction and Customer retention).
3.1. Marketing Strategy and Marketing Mix Elements

There is no doubt about the importance of marketing strategy for profitable businesses, either industrial or commercial, small or large, because the marketing strategy as expressed by Kotler and Armstrong (2010) is the logic and way of marketing by which the company hopes to build a profitable relationship with its customers. Through market division, determination of market place and the determination of customers to serve and how to choose promising sectors and focus on customer service in that sector, development of marketing strategy comes after the development of strategic plans for the company that defines its mission and overall goals. Further, according to Al-Bakri (2007) it is development of organization’s views towards its target markets. As well, it means to set and develop the goals, to prepare marketing programs and to set up the precise allocation of marketing mix elements as required by the target markets in light of the organization’s goals. Thus, importance of setting the Marketing Mix strategies by a company and its marketing administration shall be raised. It be performed until achievement of goals. Such strategies are (Marketing Mix) Strategies where it described by Kotler and Armstrong (2010) as a set of tactical and controlled marketing tools that the company mixes to produce the supposed response in the target market. Namely, Product, which means the mixture of goods and services provided by a Organizations to intended market; Price, which knowing the amount that customers have own to buy or get the product; Place, which means the activities of the company that make the product available to the target market’ consumers; however Promotion, it’s the activities that deliver product benefits to the customers and motivate them to buy it Kotler and Armstrong (2010).

3.2. Excellency in Building Marketing Strategy and Marketing Performance

The Department of Marketing Activities requires the Marketing Department to conduct the planning of marketing activities within a comprehensive framework for all activities of the company in an integrated way based on its view of the comprehensive concept of marketing in which all activities and functions within the company are directed to serve the customer and make its satisfaction Accordingly, the marketing administration should undertake the marketing strategic planning. The process of activities planning within companies take a strategic dimension, when the resources and capabilities available to the institution limited (this applies to small and medium enterprises), while the environment imposes a lot of variables that cannot be controlled, and this imposes on the administration the attempt to use the resources of the institution in the areas where they can maximize its revenues and returns from these activities (Mu'allala, 2014). Will need the company’s administration to do the marketing activities efficiently effectively and distinctly Therefore, the company should carry out an analysis of the work environment, i.e., analyze its markets to find out market opportunities and avoid threats. It should also analyze its strengths and weaknesses and analyze the current rules to find what opportunities will be best invested (Kotler and Armstrong, 2010). The efficient management of marketing activities in small and medium-sized enterprises requires keeping pace with markets movement, changes and developments through research and studies so that it can sustain and grow and then achieve excellence in the market in which they run and create marketing opportunities and not waiting for them. In light of the increased competition within internal and external markets, contemporary enterprises should conduct marketing research based on the new orientation of the developing countries’ economies to the market economy and moving away from the protective economy, as marketing researches are consider among the working tools of the modern marketing concept, as it helps organizations to find new marketing opportunities (Obaidat, 2008). Thus, note that there is more than one alternative to select the marketing strategy that achieve (Differentiation) in terms of products quality. So the SMEs administration is able to differentiate between them to suit the market at which it works and its future goals and potentials to achieve sustainability and growth. Among these alternatives the following: (Tumlieh, 2009).

1. Differentiation based on marketing information systems: This strategy based on the use of marketing information systems to reach Differentiation, if they are efficient, effective and utilizing information technology.

2. Leading differentiation: This strategy achieved when the company is creative and innovative in terms of understanding the needs of consumers, and if it is able to create products and marketing activities that satisfy their needs and suit their continuously changing characteristics better than its competitors to meet the distinctive mental place in their minds.

3. Marketing-based Differentiation: where the organization follow the market-oriented philosophy. There are also strategic alternatives based on formation of unions and alliances with each other or with complementary projects or through integration with any of the distribution outlets to overcome the shortage in its physical and human resources On the above, as competition intensifies, small and medium enterprises should pay attention to marketing performance which at the level of the challenges they face and given their modest potential. Marketing performance requires knowledge of the important aspects of the financial and non-financial returns of an organization and community from marketing activities and programs. It requires also observing and following up the market share, the loss of customer ratio as well as product quality (Kotler, 2016). In other words, this requires the knowledge and the follow-up by the Marketing Administration of a performance through identifying the impact of Marketing Mix elements on its core dimensions to make sure that the goals achieved in a way that reaches excellence. Based on the study’s problem and questions, the following hypothesis formulated:
H0: There is no effect for drawing up marketing mix elements strategies in terms of its dimensions: (Product strategy, Pricing strategy, Distribution strategy, Promotion strategy) on the marketing performance of the Jordanian SME in terms of its (Sales growth, Profit growth, Customer attraction and Customer retention) dimensions?

H01: There is no statistically considerable impact at the importance scale of (a = 0.05) of the strategies of the marketing mix elements in terms of their different dimensions on the sales growth.

H02: There is no statistically much impact at the importance scale of (a = 0.05) of the strategies of the marketing mix elements in terms of their different dimensions on the sales growth.

H03: There is no statistically much impact at the importance scale of (a = 0.05) of the strategies of the marketing mix elements in terms of their different dimensions on the customers attraction.

H04: There is no statistically much impact at the importance scale of (a = 0.05) of the strategies of the marketing mix elements in terms of their different dimensions on the customers retention.

4. Research Methodology

The research population consists of the all (250) small and medium member enterprises of SME’s Association in Jordan (According to an interview with the Chairman of SME Association, Mr. al-Jagbari). To test the effect of the factors under research and authenticate the different research hypotheses (Habes, 2019) and the questionnaires is the best tool for data collection, per (Habes et al., 2018c) Consequently, questionnaire was developed according to the Five-Point Likert scale (Basol et al., 2005; Damaty, 2011; GbolagadeAdewale and Oyewale, 2013) (250) questionnaires were distributed to all the managers of SME Association, however only (187) eligible returned questionnaires were only analyzed. The despondence to the questionnaires represented (74.8%). Which means good result for this kind of studies (Chin and Newsted, 1999).

4.1. Validity and Reliability of Measurement Tool

Validity verified through the content (Content Validity), with the help of selected elite of the faculty members specialized in Marketing and Management science, the number of arbitrators amounted to (7) arbitrators, which made the tool more accurate. Whereas, Reliability was also verified by applying the (Cronbach Alpha) equation to make sure the internal consistency between the tool dimensions to show the level of Significance of correlation and coherence between the Paragraphs of measure, Table (1) shows the validity results of the elements of the marketing mix of the Jordanian SME. By reviewing the values of (Cronbach Alpha) values it shown that the lowest value was found in pricing element (0.754), whereas the highest was in the Promotion element (0.957). The rest values were between the above mentioned values. However, the value of (Cronbach Alpha) for the questionnaire was (0.978), which is important and enough to make the goals of the study.

<table>
<thead>
<tr>
<th>Element</th>
<th>Number of Paragraphs</th>
<th>Value of (Cronbach Alpha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>5</td>
<td>0.862</td>
</tr>
<tr>
<td>Pricing</td>
<td>5</td>
<td>0.754</td>
</tr>
<tr>
<td>Distribution</td>
<td>5</td>
<td>0.911</td>
</tr>
<tr>
<td>Promotion</td>
<td>5</td>
<td>0.957</td>
</tr>
<tr>
<td>Marketing Performance</td>
<td>20</td>
<td>0.874</td>
</tr>
<tr>
<td>Grand Total</td>
<td>40</td>
<td>0.978</td>
</tr>
</tbody>
</table>

In order to verify that the study data were free from statistical errors that may adversely affect the results of the hypotheses test of the study and to make sure the normal distribution of the data, the researchers, verified non-attendance of any multiple correlation problems between the independent variables (Marketing Mix elements), through identifying the values of Tolerance and the (VIF) values, as well as the veridical of the study data distribution compared to normal distribution. As before conducting a Regression analysis, we should make sure non-attendance of any (Multi Collinearity) between independent variables. In addition, the data should meet the distribution criteria, Table (2) shows that the tolerance coefficients of the independent variables are greater than (0.1) and less than (1.0), and the inflation reason of the independent variable is less than (10) so, it has indicated that there is no significant correlation between the elements of the independent variable. The skewers coefficient, however, showed that the current data related to and close to normal distribution much, where its values ranged between 0.015 and 0.320.

<table>
<thead>
<tr>
<th>Marketing mix’ elements</th>
<th>Tolerance</th>
<th>Variance Inflation Factor (VIF)</th>
<th>skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>0.412</td>
<td>3.42</td>
<td>0.088</td>
</tr>
<tr>
<td>Pricing</td>
<td>0.351</td>
<td>2.71</td>
<td>0.015</td>
</tr>
<tr>
<td>Distribution</td>
<td>0.324</td>
<td>3.45</td>
<td>0.250</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.291</td>
<td>3.98</td>
<td>0.320</td>
</tr>
</tbody>
</table>
4.2. Research Hypothesis Test

H0: The Main Hypothesis: There is no statistically significant effect at the significance level ($a = 0.05$) of the strategies of the marketing mix elements in terms of its dimensions (Product strategy, Pricing strategy, Distribution strategy, Promotion strategy) together on the marketing performance in terms of its dimensions (Sales growth, Profit growth, Customer attraction and Customer Retention) in the Jordanian SME.

Table (3) shows the results of the Regression analysis to test the impact of marketing mix strategies in terms of its dimensions (Product strategy, Pricing strategy, Distribution strategy and Promotion strategy) together on marketing performance in terms of its dimensions (Sales growth, Profit growth, Customer attraction and Customer retention) in the Jordanian SME. The results show rejection of the null hypothesis (H0). As the results of the multiple regression analysis, indicated a positive and strong relationship between the strategies of the marketing mix elements together and the overall marketing performance, with a value of ($F = 122.574$) at a significant level of ($0.000 < 0.05$). The results of the analysis show that the marketing mix strategies were able to interpret ($R^2 = 0.722$) of the variance in the overall marketing performance level, where this interpretation weight is significant and can express the strength of the model. The results of the analysis show that all marketing mix strategies have a positive and significant impact on the overall marketing performance. The results also show that the relative importance of the marketing mix strategies, according to the Beta coefficient values, was as follows: for Price (Beta = 0.262: Sig at 0.000), for Distribution (Beta = 0.174: Sig at 0.000), for Promotion (Beta = 0.135: Sig at 0.001) and for the product (Beta = 0.093: Sig at 0.028), respectively.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Multiple Regression Analysis Results: The impact of marketing mix strategies on Marketing Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>R Square</td>
</tr>
<tr>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>0.850</td>
<td>0.722</td>
</tr>
</tbody>
</table>

First secondary hypothesis (H01): There is no significant effect for the marketing mix strategies in terms of its dimensions on the Sales growth at the significance level ($a = 0.05$).

Table (4) shows the results of Multiple Regression analysis it has been found that there is a positive significant relationship between the marketing mix strategies and sales growth. The above results means to reject the null hypothesis (H01) and to accept the alternate hypothesis (HA) as ($F=34.687$) at a significance level ($0.000 < 0.05$), and it was able to interpret ($R^2=0.412$) of the variance in the effect of marketing mix strategies on sales growth.

<table>
<thead>
<tr>
<th>Table 4</th>
<th>Results of Multiple Regression analysis: Effect of marketing mix strategies on sales growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>R Square</td>
</tr>
<tr>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>0.651</td>
<td>0.424</td>
</tr>
</tbody>
</table>

Second secondary hypothesis (H02): There is no significant effect for the marketing mix strategies in terms of its dimensions on the Profits growth at the significance level ($a = 0.05$).

Table (5) shows the results of Multiple Regression analysis it has been found that there is a positive significant relationship between the marketing mix strategies and Profits growth. The above results means to reject the null hypothesis (H02) and to accept the alternate hypothesis (HA) as ($F=62.633$) at a significance level ($0.000 < 0.05$), and it was able to interpret ($R^2=0.561$) of the variance in the effect of marketing mix strategies on Profits growth.

<table>
<thead>
<tr>
<th>Table 5</th>
<th>Results of Multiple Regression analysis: Effect of marketing mix strategies on Profits growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>R Square</td>
</tr>
<tr>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>0.755</td>
<td>0.571</td>
</tr>
</tbody>
</table>

Third secondary hypothesis (H03): There is no significant effect for the marketing mix strategies in terms of its dimensions on Customer Attraction at the significance level ($a = 0.05$).

Table (6) shows the results of Multiple Regression analysis it has been found that there is a positive significant relationship between the marketing mix strategies and Customers Attraction. The above results means to reject the null hypothesis (H03) and to accept the alternate hypothesis (HA) as ($F=37.024$) at a significance level ($0.000 < 0.05$), and it was able to interpret ($R^2=0.428$) of the variance in the effect of marketing mix strategies on Customer Attraction.
Fourth secondary hypothesis (H04): There is no significant effect for the marketing mix strategies in terms of its dimensions on Customer Retention at the significance level (α=0.05).

Table (7) shows the results of Multiple Regression analysis it has been found that there is a positive significant relationship between the marketing mix strategies and Customers Retention. The above results means to reject the null hypothesis (H04) and to accept the alternate hypothesis (HA) as (F=36.321) at a significance level (0.05>0.000), and it was able to interpret (R²=0.423) of the variance in the effect of marketing mix strategies on Customers Retention.

Table 6. Results of Multiple Regression analysis: Effect of marketing mix strategies on Customer Attraction

<table>
<thead>
<tr>
<th>Multiple R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F Value</th>
<th>Sig. F</th>
<th>Durbin-Watson</th>
<th>Null Hypothesis Testing Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.663</td>
<td>0.440</td>
<td>0.428</td>
<td>37.024</td>
<td>0.000</td>
<td>1.864</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

5. Conclusion and Future Work

This study aimed to Identify alternatives to possible marketing strategies for SME and the strategies of the elements of the marketing mix and highlight their importance for the performance of SME in reaching their goals and achieve excellence, Measuring the impact of drawing up the strategies of marketing mix elements on the marketing performance of these enterprises in terms of its dimensions (Sales growth, Profit growth, Customer attraction, Customer retention), and So after analyzing the study data, it was reached to supposed conclusions about the nature of this impact. Where significant link between the marketing mix elements strategies together and the marketing performance in terms of its dimensions (Sales growth, Profit growth, Customer attraction, Customer retention) in the Jordanian SME. This confirms the importance and the value of this study, which can benefit the administrations of such enterprises, It seems there is a difference in considering the relative importance of each element of the marketing mix elements among SME managers, where the Pricing Strategy has occupied the highest ratio, followed by the Distribution strategy, then the Promotion Strategy and finally the Product Strategy. The above said difference may cause a variation in the processing, There is a favorable significant link between the marketing mix strategies, in terms of its dimensions on (sales growth, Profit growth, Customer Attraction, Customer Retention) as one of the marketing performance dimensions in SME, finally The weakness of the Jordanian SME's financial and human resources might be the outcome of administrative reasons, which may be imposed by the Jordanian market environment and competition, as well as weak support from different parties. Eventually, Based on the results of the study to increase marketing performance, Researchers recommend the managers of small and medium-sized companies the following: It is necessary to take care on marketing studies and scientific research in this field to find and satisfy the needs and preferences of customers in the market, particularly when developing new products, SME's administrations need make more awareness to the price element, its policies and Ingredients. It is important SME administrations should check their apportionment strategies, study them and develop distribution strategies capable of achieving an outstanding marketing performance Furthermore it The decision-makers in the small and large organizations should take into account the development strategies proper to their market sector so that there is a positive impact in the mind of the consumer the promotion play important role in market, SME should use modern scientific methods to segmentation their markets into sub-market sectors, In addition to establishing advanced marketing departments to organize and manage the marketing business by relying on modern methods. On the other hand these results It represents the point of view of owners of medium and small companies in the Jordan, Thus it is difficult to generalize it to other societies, further research is required.

References


