IS MARKETING THE SOLUTION FOR SMALL AND MEDIUM ENTERPRISES? POST-COVID-19 CASE

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dx.doi.org/10.18374/JIMS-22-1.7

ABSTRACT

One of the greatest fears in small and medium-sized companies is making expenditures or investments in advertising to encourage purchases and repeat purchases. Small and Medium Enterprises (SMEs) are vulnerable at the beginning to incur expenses due to the nature of the risk of not returning those investments and converting them materially into profits. This study focuses on the investigation of advertising returns on a family owned private limited raw-frozen chicken business during the time of COVID-19. Being a small company in Central America within what is conventionally considered a market led by two multinational companies, it was established that the competitive advantages of the company would be the non-use of hormones, no antibiotics and no forced breeding; since, it is perceived that the big brands do use them. This study did not focus on the marketing used and only on the amounts and their effect on the consumption/purchase of frozen chicken. Is there a positive return for investing in advertising?

Keywords*: small and medium enterprises, marketing, investment.*

1. INTRODUCTION

COVID-19 had and probably continues to have an effect on consumer behavior, especially with processed consumer products. One of those massive products in the region has been frozen chicken, which is commonly consumed due to its price, taste and protein perception.

Marketing is usually an important part of the company and now in the globalization of the world economy it must be present in physical media, in wide distribution channels and even online, with customer service reinforced by approaching the behavior of the different strata of the consumer (Harhut, 2022).

The approach of sales objectives in the short term, the analysis of reality and the delimitation of the target market are the day to day of small companies. Every day the expense of SMEs is questioned by the shareholders or owners of the business and in general the monetary expense for marketing is not perceived as "adequate." Usually, marketing and advertising budgets are the first ones to disappear because they constitute one of the largest investments and their benefit is almost intangible and difficult to identify.

This study is based on the experience and data of a local producer of frozen whole chicken acting in a market limited by the volume of production. The main producers compete in frozen and processed pieces, transformed and ready-to-eat products, whole chicken and seasoned pieces. The small enterprise of this study is family-based and by tradition of previous generations, they define themselves as local producers for the local consumer.

Traditionally, the company has marketed its whole-frozen chicken at retail outlets alongside the its two major competitors, two transnationals, which according to consumers are perceived (Rajamannar, 2021). The family business has tried to compete in these points of sale based on price; but over time, it has given up doing so because it has put the income, profitability and long-term existence of the organization at risk.

Due to the aforementioned challenge, the new management of the company (children and cousins of the previous heirs), who already have a university education (in their own words) have tried to modernize and