Conceptual Model for Online Marketing Strategy to Success in the Survival Phase of Small Firms

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Numerous small businesses failed to become big venture, as they could not be able to survive in the early stage of business development phases. The online platform is a reliable choice in spreading promotion for firms who have limited resources. In performing online marketing effectively during the initial stage, four key points of online media advertising should be maintained well. The conceptual model proposed from this research are SEO (Search Engine Optimization), and Promotion timing increases brand awareness, visual imagery and copywriting increases trust, and the brand awareness itself will later increase customers’ trust toward online retailer.

**Keywords:** SME; online marketing; business growth; brand awareness

1. Introduction

Nowadays, there is a growing concern regarding the marketing method through the online platform for business. The business of SMEs (Small and Medium Enterprises) plays a vital role in the acceleration of nation’s economic growth and the employment of workers in the productive age. The SMEs who are considered as the foundation of industrial development can widely gain significant benefits from e-commerce as time and space disadvantages could be overcome by using the internet-based platform\textsuperscript{[7]}.

In the tight competition environment, the newly started SMEs should be able to get used to e-marketing for achieving profitability, differentiation and success in both local and global market\textsuperscript{[8]}. Majority business would fall in their early years as shown statistically that approximately 80% of new business shut down during the first year of operation\textsuperscript{[33]}. This study aims to develop the hypotheses about the relationship between influencing factors for SMEs survival in the early stage of business based on the propositions from previous research conducted by Setiaboedi, Sari and Prihatono\textsuperscript{[35]}. Firstly, the paper will explain why the research is focused on the early stage of SME Growth. It is followed by the explanation about the construction of hypothesis and conceptual model, then conclusion and possibilities of future research.

2. SME Growth and Trust

From the previous study, the most frequently used and representative indicator for success in SME is the growth \textsuperscript{[5],[2],[6]}. The growth gives an important measurement for performance and achievement of the venture \textsuperscript{[2]}.

The framework developed for small and growing business by Churchill and Lewis identified the growth stage not only from the amount of revenue, but also more widely factors such as diversity, index of size, and complexity, and described by five management factors: owner involvement in the business, managerial style, corporate strategies, organizational structure, and extent of formal systems\textsuperscript{[11]}. The growth stages were divided into Existence, Survival, Success, Take-Off, and Maturity. The majority of business most likely would fall during their early years of operation\textsuperscript{[33]}, or translated to the Existence and Survival stages from the Growth Model by Churchill and Lewis.
The main problems faced by the organization at the Existence stage are customer acquisition and products or services delivery. This stage also becomes the critical point in deciding to go or no go for the business. Survival stage is vital as if the enterprise able to manage the business well, it may be increased in market share and venture size as well as accelerate on to the third stage, Success. Otherwise, the company will remain at this stage for some time or even decline. By performing the identification of needs from each stage of growth, entrepreneurs could allocate their resources to resolve the fundamental problems faced during a certain period.

Trust in the brand nurtures business sustainability, and particularly SME growth\textsuperscript{5}.\textsuperscript{36} The positive correlation between trust and business success, which later impacted the Growth, is exciting to be assessed, especially in the early phase of the business progress. In the survival stage, the proposition put four essential factors for SMEs to be able to pass the Survival Stage: search engine optimization, good image quality, perfect timing of posting and appealing written content.

The promotion for the brand image building has been reduced the cost of sales task forces and expenses for consumer acquisition, thereby increasing revenue\textsuperscript{3}, which is affecting the SME growth opportunity. Compatibility of the company branding strategies with its entrepreneurial behavioural activities determine the organisation capabilities to handle growth\textsuperscript{4}.

3. Hypothesis Development

This section will explain about the construction of hypothesis and proposed the conceptual model.

3.1. Promotion timing

In the social media, by posting the advertisement content in the prime time, more user will be exposed to the promotion. Social media is the place which enables users to do sharing with group member, give review and discussion known as user-generated content\textsuperscript{10}. By manipulating the user generating content to more users has open the opportunities to enhance brand popularity\textsuperscript{12}, attract new customer\textsuperscript{13}, build awareness, increase sales and build loyalty\textsuperscript{11}.

Time to promote is another base in online promotion other than image and text\textsuperscript{21}. If the promotion already has an appealing image and compelling content, but the timing is not right, the promotion would not be able to reach the targeted consumers’ optimally. Before launching the product, it is important to prepare the product launching timing well. Issue marketing (e.g. opened pre-order sale) is a timing strategy that has goals to make people aware and interest about the product so that they would purchase the product when the product is released\textsuperscript{21}. It is in line with the definition of brand awareness by Homburg, Klarmann and Schmitt that stated brand awareness as “the ability of the buyers to recognize or recall a brand”\textsuperscript{23}. Thus, H1 is proposed.

H1. Promotion timing is positively related to brand awareness

3.2. Search Engine Optimization

SEO (Search Engine Optimization) is a formula of constructing web pages using certain algorithm so that it could be featured in the top result in the search engines (e.g. Google and Yahoo)\textsuperscript{34}. The websites which applied the SEO campaign successfully would reach more consumers who want to obtain product information. Customers who are looking for a product through search engine usually will click only first five links appeared on the top result page\textsuperscript{31}. Being featured on the first-page of Google increase the opportunity for the brand to reach more customers\textsuperscript{16}. SEO method which increases the numbers of followers, social mention, web traffic referrals, share of voice and search volume trends could be used to accomplish the goal of building awareness\textsuperscript{11}.
The online marketing techniques such as interstitials, targeted banner ads and targeted event promotion increase awareness to the business\textsuperscript{[14]}. SEO method does not only pay attention in determining keyword to put in web pages but also in other aspects such as language, pictures, web domain, description labels, URL and web page design. After the websites or online media promotion has been optimised, the effectiveness of the strategy could be measured by several online indicators such as the number of clicks or view to the websites. The rate of interaction on the website, which known as click-through rate (CTR), and brand awareness are linked as both of them become the measurement for the return of investment in banner advertising\textsuperscript{[30]}. Since customers have more probability to purchase products or services from the well-known brand names\textsuperscript{[25]}, by having optimization method to the online platform could reach more people to aware for the business brand. Thus, H2 is proposed

\textbf{H2.} Search Engine Optimization is positively related to brand awareness.

\subsection*{3.3. Written Content and Trust}
Trust develops if the customer has assurance in a product manufacturer’ or service provider’s integrity and reliability\textsuperscript{[27]}. One of the possible methods to build interest and develop trust is by creating an appealing written description for the products. Because of customer inability to touch and experience the products with their senses, they require detailed information and image as a supporting data in taking a decision. Quality content in online promotion media would increase the credibility of brand and products in customers’ perspective\textsuperscript{[16]}. Regarding the information quality, customers are likely to trust websites that cover comprehensive, up-to-date and accurate information\textsuperscript{[28]}

The copywriting technique has a role in making the buyer trust the sellers and purchasing the product from their online platform\textsuperscript{[21]}. The anatomy of copywriting consists of offer, reason, bonus, testimonial and guarantee to build a trust that the products or services could solve the consumers’ problems\textsuperscript{[21]}. The method of copywriting could be applied not only in image caption but also another form of online campaigns (e.g. blog, video, website, and news). The benefit should explicitly state that the product can solve the readers’ problem\textsuperscript{[18]}. To sum up, copywriting is a method of writing to create attractive goods and/or services description. Thus, H3 is proposed.

\textbf{H3.} Written content is positively related to online trust.

\subsection*{3.4. Perceived Image Quality and Trust}
Roam argue that picture could facilitate the finding of the solution for almost every problem, including how the seller communicate to the buyers that the products could solve the buyers’ problem\textsuperscript{[19]}. The business practitioners had proved that good image quality is impactful in gaining customers trust to purchase the product\textsuperscript{[16],[17],[18],[19]}. Up to date product picture and information is a feature of building trust in the online marketing context\textsuperscript{[22]}. Whether the website displays physical products or intangible products (i.e services), photographs were considered as efforts to influence customers’ online trust\textsuperscript{[29]}

Congruency between product image that is being posted and actual product affects consumer trust\textsuperscript{[32]}. The seller should put the promotion picture based on the actual product to convince the customer. Because of that, the hypothesis H4 is proposed.

\textbf{H4.} Visual imagery is positively related to online trust.

\subsection*{3.5. Brand Awareness and Trust}
Brand awareness is interpreted as “the ability of the decision-makers in (an) organisational buying centre to recognize or recall a brand” \textsuperscript{[22]}. For business, one of the main objectives in put the
marketing effort in the online platform is to strengthen the brand awareness\textsuperscript{[23]}\textsuperscript{[23]}. Getting touch with the customer through online communities has been statistically proven has a positive influence towards brand awareness\textsuperscript{[22]}. Das stated that online retail awareness is positively related to attitude toward retailers which later impacted the intention to purchase through online media\textsuperscript{[9]}. In summary, literature has given insight regarding the correlation between brand awareness and online trust. So, this study proposed H5.

**H5.** Brand awareness is positively related to trust.

The research model is shown in Figure 1.

![Research Model](image)

**Figure 1. Research Model**

4. **Conclusion and Future Research**

Becoming a substantial and sustainable venture, a small venture should pass five stages of growth. However, the survival rate of business in the early stages is remarkably low. Online platform plays a significant assistance in foster the growth of SMEs. For small and medium businesses, which rely mainly on the use of online media as their marketing channel, five hypotheses are constructed that represents the model of online business for small firms. They are the application of SEO and perfect timing to post the promotion which directly impacted brand awareness, copywriting in the text and pictures with good quality which increase trust, and brand awareness is presumed impacted trust.

The above hypothesis needs to be tested, whether the relationship is significant. Each point in the hypothesis could be a single variable and divided into several indicators in constructing a questionnaire or interview. The research objects have to be limited for the SMEs which belongs to the early stage of growth. In addition, the future study should also consider other stages of SME growth.

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**References**


