# IDENTIFICATION AND PRIORITY MARKETING MIX FACTORS AFFECTING THE SUCCESS OF SMALL AND MEDIUM ENTERPRISES (SMEs) (CASE STUDY: FOOD & BEVERAGE ENTERPRISES IN BOROUJERD CITY)

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#### **ABSTRACT**

For reasons such as limited resources and their managers' disbelief in the conventional methods of marketing in corporate, small and medium industries, see and treat the problems of marketing non significant, however having professional skills is vital to the survival and development of small and medium businesses. The main objective of this study is identification of mix main factors of marketing affecting the success of small and medium industries. After extensive survey in literature of the matter, In addition to the mix main components of marketing mix that are considered in major industries, personality of the owner / manager/entrepreneur have been identified as one of the main factors in the success of small and medium industries. Therefore, based on 5 major and 29 minor identified components, a questionnaire has been designed, the factors have been prioritized by the managers of these industries, and the data have been analyzed by or based on descriptive and inferential statistics. The results have showed that the mix main factors of marketing for the success of these industries based on or in order of preference are: personality of the owner / manager/entrepreneur, attention to the characteristics and development of product, doing promotions for the product, appropriate pricing and distribution of product. Then each sub-component has been prioritized based on mentioned factors so that the application of the customers' ideas in marketing, services after sales, creation of a favorable of the company and brand promotion, reduction of cost of production and innovation in the distribution networks have had the highest rank for each the main factors.

**Keywords**: Marketing Mix, Small and Medium Industries

#### INTRODUCTION

By the begin wave of industrialization and development, competition for establishment of big industries and mass production developed and culminated in three quarters of the twentieth century, but in the last quarter of the century, by the development of modern technologies, new concept transformed development and progress equations, this concept was tried to improve industrial development with shrink the industry (Assad Zamaneh et al., 2006). Experience in today's world has shown that important innovations and technological progress will not happen in big corporates and organizations. A complex structure cannot with the adaptation of marketing to daily requirement or need. Therefore, for rapid development and delivery of new products, the only effective way is to create and develop conditions in small economic activities can be established and compete (Feyzbakhsh Bazargan and Dehghanpour, 2005). Many small and medium industries create new opportunities to competitive advantage (Hurmelinna-Laukanen et al., 2008). Today, small and medium-sized businesses have a significant role in economic development of developed and developing countries (Moriarty and Jones, 2008). According to the definition of the Ministry of Industries and Mines and the Ministry of Agriculture, small and medium enterprises, industries and services are the ones which have less than 50 workers (UNIDO, 2003). Majority of industries (manufacturing) in Iran are small and medium industries, about 4/99 percent of them, are small businesses (1 to 49 employees). More than 60 percent of the total workforce in the industrial sector work in these industries, and their contribution in add value is over 34%

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#### Research Article

(Shaghaghi and Shafii, 2008). Creation a long-term relationship with customers and creation special value for them are essential to success for a small and medium business. The result of this operation is to achieve loyal and fascinated customers that become the rich and valuable resource for promoting the product among consumers, and in fact, the knowledge and abilities of marketing enable the directors of small and medium enterprises to discover, create, motivate, satisfy and meet the demands and desires of customers (Crane, 2010). Subject of consideration is that marketing activities before often believed that the techniques and strategies of big and experienced corporations were considered as inevitable constant utilizable principles in small and medium-sized businesses (Martin, 2009). This phenomenon have reduced attention to issues related to marketing in these industries. However, most scholars believe that marketing for small and medium companies is different from marketing for big corporates. Small business marketing are identified by features such as accidental, informal, unstructured, reactive and created in accordance with norms and standards of industry (Fillis, 2002; Gilmore et al., 2001; Hill, 2001a; Coviello et al., 2003). Also, small companies, marketing is used for current needs (Stokes, 2000). And they pay a little attention to the strategies and plans, this is the opposite of marketing of big corporate that their marketing is formal, planned and highly structured (Reijonen, 2010). Due to the nature of small and medium enterprises, the important note in their marketing activities is uncompiled and planned actions which result in their vulnerability in the current turbulent environments (Carson, 2005). The reason of weakness can be found in problems such as financial limitations in the marketing network scope and knowledge of marketing (Gilmore et al., 2001). The owners'/ managers' taste and undisipline actions and overreliance on managers' / owners' ability in marketing and sales (Ghauri Pervez, 2009). In addition, managers and owners of small companies have limited visibility with respect to the role and importance of marketing and look very limited at marketing and consider it more closely to sales management (Hogarth-Scott et al., 1996; Moller and Anttila, 1987). Even marketers of small and medium industries consider marketing as a synonymous to sales or promotions (Marcati et al., 2008), while having the marketing professional skills is vital to the survival and development of small and medium business (Carson, 2005). By evaluation or review the literature of the matter at the beginning, the present study makes an attempt to identify the mix main factors of marketing which affect the success of small and medium industries, and then, in order to approve or reject and prioritize the identified factors, it evaluate the aspects of the managers' and owners' views of these industries. The main question of the research is: " what are the main factors that affect the success of the marketing mix of small and medium industries?"

#### THEORITICAL AND EXPLANATION

Most scholars agree that marketing in small businesses is different from marketing in similar big companies. Small businesses marketing are identified by features such as accidental, informal, unstructured, reactive and developed in accordance with norms and standards of industry (Fillis, 2002; Gilmore et al., 2001; Hill, 2001a; Coviello et al., 2003). Also, in small businesses, marketing is used for current needs (Stokes, 2000) and pay a little attention to the strategies and plans, this is the opposite of marketing in big corporates whose marketing is formal, planned and highly structured (Reijonen, 2010). Despite these differences, it should be noted that the basic concepts of marketing, such as: "market segmentation, customer orientation, positioning and searching for competitive advantages", are the same as large companies (Hogarth-Scott et al, 1996). Over the past 60 years, the used marketing approach has changed, and these changes are: "change in focus of company from production and sale to customer and communication with the customer, instead of short-term personal relationships", marketers are trying to give more value to long-term relationships with customers and cope with more efficiency of such relationship. It is a fact that marketing is not a task that only related to the marketing department, but it is related to whole organization (Gronroos, 2006). However, the marketing activities of small and medium enterprises are defined as a tactic to exploit from commercial opportunities. They do not pay attention to marketing as an organizational philosophy or strategy, but most of them know the marketing the same as sales and the techniques of promotion (Stokes and Spring, 2000). Most small and medium enterprises do

their sales without doing the planning for marketing operations (Stokes and Nicholas, 2010). Marketing practices of these companies do not follow the conventional and formal ways of marketing, and marketing activities of these companies are quite unique and are based on the tastes of their founder (Carson, 2005; Stokes, 2000). Their definitions of marketing, have been taken from their minds and have a lot of emphasis to customers' attraction and the use of techniques of promotion (McPherson, 2007; Beverland and Lockshin, 2004; Coviello et al., 2000), while activities such as identifying customers' needs and other infrastructure aspects of marketing, such as "product development, pricing and distribution strategies" neglected and do not pay attention to them (Stokes, 2000), however, the owners of these firms provide a major emphasis on providing service to customers and having communication and a direct contact with them (Crane, 2010; Barnes, 2001; Coviello et al., 2000; Appiah-Adu and Singh, 1998). Small and medium industries can have a real close relationship to their customers by knowing the personal characteristics of the client, local feel, easy access, and lack of bureaucracy and concentration on longterm profit (Barnes, 2001). So attention to the customer orienting raises their performance (Appiah-Adu and Singh, 1998). However, they hardly pay attention to customers' opinions. They have spent considerable time to communicate with clients and social networking; however, they do not account these activities among the marketing activities. In other words, they spend considerable time and resources to marketing activities, while these activities are not considered marketing (Stokes, 2000; Stokes and Nicholas, 2010). However, it is seen in all cases that they do not follow the traditional principles of marketing, and they do not have enough and deep knowledge in the field how they communicate with their customers, how they investigate about their competitors and finally how they develop their marketing mix (Moriarty and Jones, 2008: Carson, 2005: Stokes and Lomax, 2002). However, the ability and competence in marketing are key factors for the success or failure of these industries (Chaston, 1997).

Table 1: Characteristics of Marketing in Small and Medium Industries

Table 1. Characteristics of wrathering in Small and Weddin Hudst	
Characteristics of marketing in small and medium industries	Scholar
-Introduction company and its products	
-Decision on questions about the product (such as quality, after-sales service)	
-Decision on the price	
-Decision on access to products and services	Reijonen (2010)
-Promotion the sale of products and services	Reguleii (2010)
-Meeting customer needs	
-Establishing and maintaining customer relationships	
-Collection and analysis of information about customers and competitors	
- Application of Customer Reviews in the process of marketing and Product development	Hills and Hultman
- Direct communication with customers and creation of social networks	(2010)
- High dependence between personality and managerial style of the owner (s) and marketing style	
- lack of deep knowledge in the field of marketing research and analyze the business environment	Gilmore et
- lack of understanding and knowledge in the field of creation a marketing mix	Moriarty al.(2009),
- Networking administrator (owner) to provide distribution channel	and Jones (2008)
- Connection with the client closely	
- Fle xibility against changes	Stokes and
- Use of Innovation	Lomax(2002)
- Use of word of mouth marketing to advertise and promote products	LOIIIa X(2002)
- The use of social networks to gather information and test ideas	
-Dependent on the personality of the manager / owner (innovation, risk taking, etc.) and Marketing	
style	
- Decisions in relation to the product (diversity, innovation and creativeness in product)	
- Decisions in relation to price (cutting costs, selling on credit,)	
- Decisions in relation to the promotion of goods (primary and direct communication with	
customers)	Coloby et al. (2010)
- Decisions in relation to the distribution of goods (using capillary distribution system, collaborated	Golaby et al. (2010)
with competitor in distribution activity and	

Many scholars believe that weakness in marketing is the key factor in the failure of small and medium businesses (Shaw, 2004; Fillis, 2000). So for boosting these businesses they must have a clear understanding of marketing. Because a company focuses on achieving a competitive advantage by satisfying their customers more effectively and efficiently than its competitors by marketing (Fuller, 1994). Marketing in small and medium industries depends on number of factors such as: "the status and nature of the market, growth stage, type of goods and services, attitudes, expertise and experience of manager(owner)"(Simpson et al., 2006;McCartan Quinn and Carson, 2003; Stokes, 2000; Scott-Hogarth et al., 1996). According to mentioned notes, the characteristics of marketing in small and medium industries can be stated as shown in Table 1.

Table 2: Major and Minor Factors of the Marketing Mix Affecting the Success of Small and Medium Industries

The main factors	Effective minor factors	Related researches
Personality of (owner / manager /	Close and constant communication with customers	Reijonen(2010), (2012), Centeno and Hart(2011), Gellynck et al Beverland and Lockshin(2004), (2006), Simpson et al Stokes(2010), Stokes and Lomax(2002), Coviello et al. (2000)
	Flexibility	(2002), Gatignon(2000), Golaby et al. (2010), stokes and lomax Douglas(2000), Goldsmith(1999), Craig and Gemunden(1991) Gatignon et al.(1997),
entrepreneur)	Risk	(2002), Gatignon(2000), Golaby et al. (2010), Stokes and Iomax Douglas(2000), Goldsmith(1999), Craig and Gatignon et al. (1997), Gemunden(1991)

The main factors	Effective minor factors	Related researches
	Innovation	Carson and Gilmore and Odwyer(2009), Yeh-yun and Yi-chiy (2007), Hills and Hultman(2006), Zontanos and Anderson(2004), Stokes and (2002), Morris(2002), Gatignon(2000), Craig and Douglas(2000), lomax Goldsmith(1999), Gatignon et al.(1997), Gemunden(1991)
Application of reviews (2012), Stokes(2010), Sharma(2006), Canal (2012), Sharma(2012),		(2012), Stokes(2010), Cacciolatti and Fearne(2013), Gellynck et al , Sharma(2006), Carson et )2010(Golaby et al. (2010), Reijonen (1998), Dean(1997), Piercy and Cravens(1995).al
Personality of (owner / manager / entrepreneur)	Decisions based on accurate information from customers and competitors	and Cacciolatti and Fearne(2013), Gellynck et al(2012), Reijonen Komppula(2008), Cierpicki et al (2003), Page(1993), Cooper and Kleinschmidt(1993), Golaby et al. (2010)
	Identify opportunities and More actively exploitation them	Cacciolatti and Fearne(2013), Golaby et al. (2010) Morris(2002),
Product	Innovation and creativity in products	Gellynck et al.(2012), Bakhtiari(2012), Golaby et al. (2010), Garavand et , Doaei and Hoseyni(2009), Khondker(2004))al. (2010), Crane (2010)

The main factors	Effective minor factors	Related researches
	Provide various products with new designs	Gellynck et al(2012), Bakhtiari(2012), Golaby et al. (2010), Garavand et ,Doaei and Hoseyni(2009), Khondker(2004), al. (2010), Crane (2010)
Product	Application of customer reviews in the design of products	Cacciolatti and Fearne(2013), Bakhtiari(2012), Gellynck et al.(2012), Crane (2010), Golaby et al. (2010), Akhavan Saraf(2007), Sharma (2006), Carson et al (1998), Dean(1997), Piercy and Cravens(1995)
	The use of brands multiple for the same in product different markets	Belanchard and Johnson(2007), and Golaby et al. (2010), Hersey , Nan(2006), Park and Stoel(2005), Dean(2004)) 2006(Tsiotsou
	Improvement in quality	, )2010( (2011), Reijonen.et al (2012), Vazir Zangani.Gellynck et al Garavand et al. (2010), Bakhtaei (2006), Wong(2006), Kavosi and Saghaei(2005)
	After sales service	2010),( (2011), Garavand et al. (2010), Reijonen.et al Vazir Zangani, Bakhtaei (2006), Kavosi and Saghaei (2005))Wong (2006
	Packaging based products quality on	Golaby et al. (2010), Atafar et al. (2010)
	Offering the product in different packages	Golaby et al. (2010), Atafar et al. (2010)
Price	Fitting the payment period	Bakhtiari(2012), Golaby et al. (2010), Roosta et al.(1996)

The main	Effective minor	Related researches
factors	factors	Related researches
	Delivery Product due at a specified date and after sight credit sale	Bakhtiari(2012), Golaby et al. (2010), Atafar et al. (2010), Roosta et al. (1996)
	Reduction of production costs	(2012), Bakhtiari(2012), Golaby et al. (2010), Roosta et .Gellynck et al al.(1996)
Price	Having a pricing strategy	Rezvani and , Golaby et al. (2010),)2010(Bakhtiari(2012), Reijonen Talebnezhad (2010), Amin Bidokhti at al. (2010), Going Rate. Che Collins(2006) (2008), Sharma(2006),
	Direct and personal relationship with special customers	Centeno and Hart(2011), Crane (2010), Golaby et al. (2010), Coviello at al (2000), Carson et al (1998), Dean(1997), Piercy and Cravens(1995)
Promotion	private Present in Conference and participation	Amin bidokhti at al. (2010), Akhavan saraf (2007) Golaby et al. (2010),

Survey the customer's satisfaction after exchange and sell process	Cacciolatti and Fearne (2013), Crane (2010), Golaby et al. (2010), Carson et al.(1998), Dean(1997), Piercy and Akhavan Saraf(2007), Cravens(1995)
word of Use mouth advertising	Stokes and Centeno and Hart(2011), stokes(2010), Golaby et al. (2010), 1996)((2002), Hogarth-Scott et al. lomax

The main factors	Effective minor factors	Related researches		
Promotion	a Creation favorable of the image company promote and brand the Training of	Crosno and Freling ,)2010(Centeno and Hart(2011), Reijonen Gellynck et al(2012), ,)and Skinner(2009), Hersey and Belanchard and Johnson (2007), Tsiotsou(2006 Nan (2006), Park and Stoel(2005), Dean(2004), Ye & Van Raaij (2004), Campbel(2002), Baker and Hunt and Scribner(2002), Chaudhuri (2002), Keller(2001)  Gellynck et al(2012), Bakhtiari(2012), Centeno and Hart(2011), Garavand et al.		
	sales staff	(2010)		
	Using capillary distribution system	Andersson and Flore'n (2008), Golaby et al. (2010), Kalantari et al.(2005)		
	Innovation in distribution networks	Gellynck et al(2012), Wilkinson and Young(2002), Golaby et al. (2010), shamabadi and hoseyni(2007)		
Placement	Using various of methods product distribution	Gellynck et al(2012), Golaby et al. (2010), Shamabadi and Hoseyni(2007), Wilkinson and Young(2002)		
	Cooperation with competitors in the distribution activities	Carson et Akhavan Saraf(2007), Gellynck et al(2012), Golaby et al. (2010), Piercy and Cravens(1995) Dean(1997), al.(1998),		

According to the results in Table 1, it can be seen that the results of previous research have shown highly impact of personality of owner / manager in the success of marketing activities of small and medium industries, so in this study, in addition to the main elements of the marketing mix (4p) are considered in the major industries, personality of owner / manager / entrepreneur, is one of the key factor in the success of small and medium industries. In table 2, a summary of the factors included in the research literature, major and minor factors influencing the success of small and medium industries is shown.

## MODEL AND RESEARCH QUESTIONS

Reviewing previous research, initially by dividing the mentioned factors into 5 main factor, this paper deals with the categorization of mix factors of marketing which affect the success of small and medium food and beverage industries. Then by distributing a questionnaire among the managers and owners of these industries, it categorizes and prioritizes the mentioned factors. Conceptual model has been according to Figure (1) and every one of its main factors has sub factors that have been described in Table 2. The main research questions are as follows:

- 1. What are the mix main factors of marketing which affect the success of the small and medium food and beverage industries?
- 2. How are the key factors affecting the success of the marketing mix for small and medium food and beverage industries prioritized?

How are the sub key factors affecting the key factors affecting the success of the marketing mix for small and medium food and beverage industries prioritized?

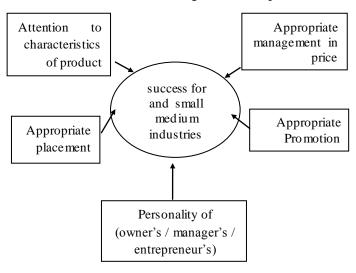


Figure 1: Research Conceptual Model

#### **METHODOLOGY**

The purpose of this research is operational or applied, and the method of the research is descriptive-studious. Because there was not a pre-questionnaire, a questionnaire has been used made by the scholar. The questionnaire contains 10 demographic questions and 29 questions with 5 options based on the Likert scale.

The experts' opinion have been used in order to determine the validity of the questionnaire. Cronbach's alpha has been used to measure its' reliability, 890/0 has been obtained by using the SPSS software. The owners and managers of small and medium-sized food and beverage industries in Boroujerd City are studied society. Because of the low number of members of the target population, sampling has not been done and the census method has been used and the whole population has been investigated. In this sense, 32 of 50 distributed questionnaires have been completed and returned to the scholar. Accordingly, the response rate to the questionnaire distributed is 64 percent.

#### RESEARCH FINDINGS

The results obtained from demographic analysis is shown in Table 3.

Table 3: Characteristics of the Respondents and Target Population

Term presence in foreign markets	Presence in foreign markets	sexuality	age	Education	Experience in the Industry (Years)	appointment	Number of Employees
5-0			Under 25			Owner/director	Under20
(%72.7)			(%9.4)	technician	05-	(%29)	(%9.7)
10-5			30-25	(%18.8)	(%29)	Sales director	30-20
(%27.3)	Yes	Male	(%21.9)	bachelor	<b>·10-5</b>	(%45.2)	(%48.4)
	(%34.4)	%71.9)(	35-30	of art	(%35.5)	R&D director	40-30
	No	Female	(%37.5)	(65.6)	<b>·15-10</b>	(%6.5)	(%29)
	(%65.6)	(%28.1)	40-35	master of	(%12.9)	Production	50-40
			(%6.3)	art	Above 15	director(%3.2)	(%9.7)
			Above40	(%15.6)	(%22.6)	others	60-50
			(%25.0)			(%16.1)	(%3.2)

Binominal test is used for evaluation of the balance of the effect of each factor in the original and identified quintuplet. Therefore, supposition of zero and the supposition of opposite statistic for each diverse is defined as this:

$$\begin{cases}
H_0: p \le 0.5 \\
H_1: p > 0.5
\end{cases}$$

It's necessary to mention that P is the attributions of the responders that have an idea based on more effects of the average of the identified and main factor on the specified subject. Significant level of the test for all of the main factors is obtained 0,000. Therefore, for all cases, the assumption above zero is rejected and the assumption of opposite statistics is accepted. It means most of the responders more than average (high and very high) have known the effect of the identified factors on the main framework of the model is accepted. Friedman is used to investigate whether the same priority (ranking)of each of the factors that impact on the success of small and medium industries of the research model. Hence the assumption of zero and the assumption of opposite statistics is defined like this:

 $H_0$ : Priority of the impact of identified substances in the basic model of the research is same in the success of small and medium industries.

H<sub>1</sub>: Priority of the impact of identified substances in the basic model of the research is different in the success of small and medium industries.

The assumption of zero is rejected because the significant amount of testing is obtained 0,000 and this amount is less than 0.05. The results of prioritization the impact on the operating model of the measured factors are showed in table 4.

Table 4: Rating of the Main Factors in the Research Model on the Effects of the Success of Small and Medium Industries

Rank of agent	The effect of agent in the model	The average of the effect of agent
1	Personality of (owner / manager /	3/80
	entrepreneur)	
2	Product	3/50
3	Promotion	2/97
4	price	2/89
5	placement	1/84

7

In order to survey the influence of the sideway ingredients of the main and identified ingredients in the research model and to prioritize the effect of the each of the above factors on the main factors, Binominal test and Friedman test were used separately and orderly that at the same time, at the moment the results obtained from SPSS software are showed to summarize in table 5. It should be mentioned that the assumption of zero and the assumption of opposite statistics are defined in Binominal test for each of the main indicators as this:

 $H_0$ : More than half of managers had an idea based on the average and below- average impact of the subsidiary indicators on the main factor.

H<sub>1</sub>: More than half of managers had an idea based on more than a moderate impact of the subsidiary indicators on the main factor.

Also the assumption of zero and the assumption of opposite statistics, to prioritize impact of each subsidiary indicators on the main factor associated with them and based on Friedman test are as follow:

H<sub>0</sub>: Priority of effect of sub-indices on the main factor is the same.

H<sub>1</sub>: Priority of effect of sub-indices on the main factor is different.

Table 5: The Final Results Obtained From Prioritization of Identified Sub-Indices in the Research Model Based on Questionnaire Results

Main factor	The main Priority of each sub-	Significance level (sing) of	Average each indicator
	index on the main factor	each sub-index	(Friedman test)
Personality	Application of reviews customer	0/000	4/78
of (owner/	in the marketing		
manager/	Decisions based on accurate	0/000	4/72
entrepreneu	information from customers and		
r)	competitors		
	Innovation	0/000	4/70

Main factor	The main Priority of each sub-index on the	Significance level (sing) of	Average each indicator
	main factor	each sub-index	(Fried man test)
Personality	Close and constant communication with	0/000	4/08
of (owner/	customers		
manager/	Identify opportunities and More actively	0/000	3/77
entrepreneu	exploitation them		
r)	Flexibility	0/000	3/27
	Risk	0/000	2/69
product	After Sales Service	0/000	5/73
•	Improvement in quality	0/000	5/65
	quality based on products Packaging	0/000	5/44
	Innovation and creativity in products	0/000	4/69
	different package Offering the product in	0/000	4/42
	Provide various products with new designs	0/000	4/02
	Application of customer reviews in the design of products	0/000	3/89
	for the same brands The use of multiple different markets in product	0/000	2/18
Promotion	of the company image a favorable Creation	0/000	4/19
	brand promote the and		
	Training of sales staff	0/000	4/14

Main factor	The main Priority of each sub-index on the main factor	Significance level (sing) of each sub-index	Average each indicator (Friedman test)
Promotion	Survey the customer's exchange satisfaction after and sell process	0/000	3/73
	personal Direct and with special relationship customers	0/000	3/44
	word of mouth Use advertising	0/000	2/94
	private Present in Conference and participation	0/000	2/56
	Reduction of production costs	0/000	2/88
Price	pricing strategy Having a	0/000	2/60
	payment period Fitting the	0/000	2/41
	Delivery Product due at a specified date after sight credit sale and	0/000	2/10
	in distribution Innovation networks	0/000	2/89
Placement	distribution capillary Using system	0/000	2/63
	of methods various Using product distribution	0/000	2/33
	with Cooperation competitors in the activities distribution	0/000	2/16

#### ANALYSIS OF DATA

## The Results of the Demographic Characteristics

The society which has been studied is different managers of small and medium food and beverage industries in Boroujerd City. Most employees in this industry are between 20 up to 30 people. The majority of respondents are the owner/senior managers and sales managers who have less than 10 years experience and have a bachelor's degree and male and only %34.4 of the industry operate in foreign markets and most of them operate in local markets.

## The Main Part of the Results of the Research Model

Regarding to the significant level of Binominal test, 0,000 has been obtained at the measurement of the main factors, the main factors in the research model have been received approval in high confidence level (whit %99 confidence). Based on the results in table 4 that have been obtained from the study of Friedman test, it has determined that prioritization of the main factors which have affected the success of small and medium food and beverage industries are respectively: personality of owner/manager, production, promotion, price and placement.

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The first step is to note that this prioritization was never meant the lack of effect of factors whit that the lower grade measured in terms of the research model, but at the first step it was confirmed that all quintet factors influence on the research model whit high confidence and then it has been concluded that the priority of factors towards each other the same as above mentioned. It is necessary to mention that this point is also extended about sub-indices showed in table 5.

As it can been seen, the effect of personality of owner/manager/entrepreneur has been obtained more than any other factors and it means that as it has also obtained from the research literature, there is strong dependence between personality of manager/owner and his style of management and marketing. These features are showed in table5. All identified factors influencing in the model are validated with a high confidence level. Prioritization of personality of manager/ owner is also interesting that in which the highest priority related to the use of client elements in marketing, business decisions based on accurate information gained from customers and competitors, innovation, continuously and closely connection with the customers, identification and operation more actively from opportunities, flexibility and risktaking of a person that this prioritization shows the important role of owner/manager in small and medium industries. Therefore, it is suggested that owners and managers of this industry do not ignore their competitors and customers. By analyzing their customers, competitors, and environment factors have always tried to meet the needs of their custor 9 and by identifying the strengths and weaknesses of competitors change their weaknesses into the opportunity for themselves. Also managers should always analyze the environment which is changing with the high speed in order to have the necessary flexibility in dealing with these changes Due to the features of this product, as the next index is also more important than other factors that this result consistent with literature research is also emphasized on this point that the small and medium food and beverage industry should pay particular attention to product features and adapt necessary measures in the development of products. In this regard, to achieve this goal, the main components of the product in order of preference are: after-sales service, continuous improvement of quality, packaging products based on quality, innovation and creativity in products, providing product in different packages, offering a variety of products and with new designs, application of customers idea in product design, and the use of a brand for product in different market. Therefore, the managers should try to increase their market share by ancillary services and after sales services, trying to improve quality continuously, innovation and creativity in the products and the type of packing, checking the customers' idea and applying them in the design and packing the products.

Also the industry should do necessary promotions in order to identify their products and company, Moreover, it should create communication with a wide range of clients, by creating a favorable image of the company and promoting the brand, Training of sale staff, checking customer's satisfaction after swap and sell process, creating social networks and direct link with initial and specific customers. Because customers tend that managers be available to talk to them even when a simple person can respond to them, the use word of mouth advertising and presence in exhibitions. the price is the only element of the marketing mix which create income and can be used as a competitive advantage, the managers of this industries should pay attention to the price and pricing methods and try to decrease their costs by the use of the appropriate pricing strategies and considering the factors that influence on the pricing and the use of new technologies and methods and according to the characteristics of their customers select the best costs compared with their competitors. Also this industries can both keep the customers satisfied and safe and have sufficient liquidity for the organization. As it can be seen, another factor of industry success is the distribution and utilization of proper distribution system that according to the idea of the industry managers, what seems to de important is innovation in the distribution system at the first step. Also respondents have placed great emphasis on capillary distribution system and believe that the use of different methods in the distribution and cooperation whit competitors, networking with competitors in the product distribution can cause the success of these industries. Therefore, the managers of these industries should pay particular attention to their distribution system and the choice of distribution channels will have a large impact on the price of product and company credits. Also these industries

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should try to increase the market share and as a result to increase their sell and success by the use of different methods of distribution and innovation in the distribution system and cooperation whit competitors in the product distribution.

#### **CONCLUSION**

Because marketing methods, which has been used in small and medium industries, are more according to the taste of their owners and without a written plan, And these industries have ignored and have not paid attention to some factors such as: identifying the customers' needs and other aspects of marketing Infrastructure such as development of product, pricing and distribution techniques. At first, by checking research literature and identifying the effective factors, A questionnaire has been designed based on the identified factors in this issue, and these factors have been prioritized based on the results of the questionnaire that distributed among the managers of small and medium Food and beverage industries in Boroujerd City. The main and identified factors have been confirmed in a high confidence and finally prioritization of marketing mix factors which are affective in small and medium industries success have been determined as follows:

- 1. Personal characteristics (owner/ manager/ entrepreneur).
- 2. Considering product features
- 3. Appropriate Promotion
- 4. pricing
- 5. Appropriate distribution

The effective sub-indices are identified and prioritized for each factor mentioned above and the results are showed in Table 5. Considering the results of the research, in addition to the properties and features of the owner or manager, the most important and effective thing in small and medium industries is that managers should try to increase their knowledge in communication with customers and research in relation to competitors and develop their marketing mix. Therefore, due to the obtained results in this research, there are some recommendations for the owner and managers of these industries to have long-term survival at competition scene and surpassed the competition.

- 1. Continuous communication with customers and the members of distribution channels in order to identify market needs and the customers' tastes and idea.
- 2. Doing extensive research (a full investigation) of the products of competitors, market opportunities and production and making and supply the differentiated products relying on the strengths and weaknesses of competitors' products, and comments received from customers.
- 3. Development and creativity of new ideas, it is suggested to make and information bank from the customer's comments (even the comments which are applicable in the present), and sharing information in organizational level in order to creat the new ideas.
- 4. Creation of periodic meetings of managers, especially the R & D managers and marketing managers in order to interaction and exchange of ideas in designs and the development of the new and different products.
- 5. The managers of these industries should pay particular attention to develop the quality continuously. Periodic surveys can be adopted to identify the customers' wants and needs in this case.
- 6. Different aspects of an optimal packing should be considered about food products. It means that while the visual appeal is keeping and colors are using, fascinating images from a variety of packages with regard to product quality should be using.
- 7. Creation advertisement and promotion, it is recommended to the managers of the industries to try to create a favorable and persistent image from their product and company in the customers mind and try to promote their brand and company by presence in the exhibition by the use of dashing and memorable advertisement by avoiding the fear in terms of expenditure for advertisers.
- 8. The managers of these industries should pay special attention to the price and priority and by analyzing the costs to improve their production and as a result to decrease their costs.

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9. It is recommended to the managers to subtilize a lot in the selection of distribution of channels, and to try to cooperate with their competitors in the distribution activities.

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