

## ***Analysis of Brand Awareness and Guerrilla Marketing In Iranian SME***

Ali MokhtariMughari\*

*EMBA from University of Tehran, Iran*

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### **Abstract**

This research aims at analyzing and investigation of role of brand and guerrilla marketing in keeping and increasing purchasing portfolio of customer in Iran's SME and in this respect three hypothesizes are developed. For doing of this research after exploration of models and approaches in brand questionnaire and guerrilla marketing were used for customers of company. The conceptual model based on primary and sub hypothesizes were designed. For gathering data, two questionnaires were used for integration of guerrilla marketing and brand awareness. The research hypotheses were tested by correlation test, all the hypotheses were verified. The sequences of priorities in brand awareness were marketing budget, perceived quality of main product of one brand, perceived proportion of main product of one brand. There was a significant relationship between guerrilla marketing and brand awareness in Iran's SME. Also it was concluded that substitution capability of main product of one brand with mean of 1.73, perceived proportion of main product of one brand by mean of 2.04, marketing budget item by mean of 2.99 and, perceived quality of main product of one brand with mean of 3.10 were first to fourth priority respectively.

### **Keywords:**

Brand, Guerrilla Marketing, Brand awareness, SME.

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\* Corresponding Author, Tel: +989122909892      Email: alimokhtari2005@yahoo.com

## **Introduction**

Terblanche and Boshoff (2006) cite empirical and anecdotal evidence to support the notion that loyalty is a both a long-term attitude and a long-term behavioral pattern, which is reinforced by multiple experiences over time. Image of brand or supplier is one of the most complex factors. It affects loyalty at least in two ways. Firstly, customer may use his preferences to present his own image. That may occur both in conscious and subconscious level (Kuusik, 2007, p9). Andres Kuusik (2007) reveals that it is not accurate to treat all customers equally in terms of methods of increasing their loyalty. The research supports the research proposition that the list of most important factors affecting loyalty is dependent on the level of loyalty of costumers. He declared it shows also that reliability of products or trustworthiness of the vendor is most critical for behavioral loyalists and the image creation is the main tool for getting committed customers.

Zhao (2010) Studied on the competitive force of car brands in market of China and he resulted that the strong brands of transnational companies have occupied most shares in the car market of China, with larger profit share. He analyzed of two China enterprises, their values of his model could accord with the practical competition ideally, and the brand competitive index model also could better reflect the practice of the car brand competitive force in the market of China, with certain application value. Brands mean different things to different consumers. While brand management may strive to communicate a specific and consistent image to the market, consumers may develop different perceptions of the brand, also depending on their relationship-intensity with the brand. Brand management and research may be well advised to acknowledge the relationship between knowledge, attitude and behavior (Koll and Wallpach, 2009).

Lim, Arokiasamy and Moorthy (2010) argue the task of developing a proper marketing strategy to boost the global brands that will tackle the factors restricting the adaptation of global brands in Malaysia. Being a multi-ethnic country understanding the consumer perceptions towards

global brands can harness the marketing strategies. Customer loyalty is a key concern of marketing managers due to its potential impact on firm performance (Reichheld and Teal, 2001).

Lucie Valečková (2009) applied the balanced scorecard into the formulation of the firm strategy for brand awareness. The Balanced Scorecard does include performance in communities as process perspective objectives when such performance does contribute to the differentiation in the strategy (Kaplan and Norton, 2008).

Marketing is essential for the organic growth of a company. Not surprisingly, firms spend billions of dollars on marketing. Given these large investments, marketing managers have the responsibility to optimally allocate these resources and demonstrate that these investments generate appropriate returns for the firm. A knowledgeable manager should know if pricing, advertising, or distribution is critical for the growth of his business (Gupta and Steenburgh, 2008).

Only in 1983 did Jay Conrad Levinson make the term “Guerrilla Marketing” known as a philosophy for small and start-up companies to successfully market their business with a small amount of money. He based the success of a marketing strategy on the use of non-traditional marketing channels, customer proximity, insistency, and patience. Through the drastic technological development until today and its complimentary change in the advertising market, Guerilla Marketing has developed into a marketing form mostly used for Promotion these days. New forms such as Ambush and Viral Marketing have evolved (Drüing, 2008, p6).

Subhani and Osman (2009) Studied on the association between brand awareness and consumer/brand loyalty for the packaged milk industry in Pakistan. They presented the relationship of brand awareness on consumer/brand loyalty in the packaged milk brands in the urban Pakistan. They stated for practicing managers and marketers, it is important to note that there is a need to update their understanding of the nature and role of brand awareness on convenience products which has random switch purchase behavior and low-involvement. In the paper, it is discussed the role of guerrilla marketing and brand awareness in SME in Iran.

### **Literature Review**

EbadBaig and Shusma Khan(2010) in their research discusses how emotional satisfaction has an effect on brand loyalty in the hospitality industry and relates the concept of physical satisfaction from the quality of service provided to the psychological dimension of satisfaction which forms the emotional satisfaction within a customer.

Customer loyalty is a key concern of marketing managers due to its potential impact on brand and firm performance. Share of category requirements (SCR) is one of the most widely used (and available) metrics of behavioral loyalty. It was estimated the impact of brand market share on the deviation between the actual and expected levels of SCR for a set of 5126 brands in 422 different categories. It was found that market share is positively related to excess behavioral loyalty in 86% of the categories (361 out of 422). Of these, the positive coefficients on market share are significantly different from zero at the 0.20 level or better for 49% of the categories (176 out of 361) (Jung, Gruca, Rego,2009).

In other research was analyzed guerrilla and traditional marketing integration in improving the productivity of organizational marketing in enterprises in Iran. It was investigated on Kaveh Industrial Estate in Iran. It was resulted that the sequences of priorities in productivity of organizational marketing were new communicating technologies, marketing budget, innovation and problem solving techniques and new methods of advertisement. There was a significant relationship between the integration of guerrilla marketing and the traditional marketing in the improvement of productivity of organizational marketing in Iran enterprises (Mughari, 2011, 944-948).

The basic tactics of guerilla marketing are to substitute innovation and creativity for the staid and status quo methods of advertising. Since 1984, Levinson's ideas have been reworked to illustrate how those in a variety of occupations can translate the principles of low-budget, aggressive marketing to aid in selling their products (Levinson, Frishman, &Larsen, 2001).

The environment of business on a global basis is becoming extremely complex and has been experiencing unprecedented continuous, rapid change (Ahmed et al., 1996, 562; Gilmore & Pine,1997, 91;

Doherty & Delener, 2001, 66; Burnes, 2005, 73; and Yadav, Swami & Pal, 2006, 57).

This escalating rate of change is being experienced in South Africa to an equal and probably greater extent than elsewhere (Forsdick, 1995, 11; Lamb et al., 2004, xvii; and Harris, 2005, 24).

Traditional methods for handling change, such as strategic planning, scenario planning, strategic visioning, market research and forecasting, are becoming inadequate to cope with the speed and volume of continuous change and with the unpredictability of discontinuous change (Wall & Wall, 1995, 7; Lane & Maxfield, 1996, 215; Edgar & Nisbet, 1996, 8; Siggelkow & Rivkin, 2005, 101; and Aktouf, Chernoufi & Holford, 2005, 181).

Understanding and finding new ways of coping with such continuous and unpredictable changes have, therefore, become necessary. Marketers have to be able to anticipate, cope with and adapt to changes in the external environment. In a stable and predictable business environment, this coping and adapting is relatively easy, but as the environment becomes more complex, and changes happen more rapidly, coping and adapting becomes more problematic and difficult. One way of finding new ways to cope with this volatility is by applying theories from outside the field of marketing in order to obtain a fresh insight into the problem (Coffey & Atkinson, 1996, 158).

An ever-increasing number of authors believe that the new sciences, specifically chaos and complexity theories, can provide a better understanding of the current organizational and marketing environment (McKelvey, 2003, 314a; and Van Uden, 2005, 65).

After briefly explaining how the study was conducted, the paper presents evidence of the state of business environments in terms of guerrilla marketing and brand awareness. Then the relevance of chaos and complexity theories to marketing is discussed, and what the literature has to say about each of the major marketing tactics is presented. From the summary of the literature, a model of the proposed marketing tactics relevant for a guerrilla marketing business environment is presented. Finally, the implications of this model for marketers and suggestions for further research are provided. Feichtinger, Hommes and Milik (1994, 109)

suggest that a firm in a more stable market would benefit from a continuous, conservative and defensive advertising strategy, typically image or institutional advertising, while a firm in a more turbulent market would benefit from a more aggressive, pulsed advertising campaign, typically product advertising (pioneering or competitive advertising).

This indicates that advertising can be both stabilizing and destabilizing in its effects. Herbig (1990, 72) found that emphasis on publicity and advertising would be stabilizing and Nilson (1995, 83) maintains that a large company can use advertising to minimize volatility, because the high costs of advertising can act as a barrier to entry, reducing competitive complexity and turbulence, and by building brand loyalty, which itself is a stabilizing factor. Advertising can be used as a destabilizing tactic by hijacking another brand's reputation via comparative advertising (Nilson, 1995, 92), by using a new, innovative, controversial or shocking campaign (Dru, 1996, 54), by increasing complexity of logo design (Foo, 2003, 16) or by using a highly creative approach to change the perceptions about a market, i.e. 'changing the rules of the game' (Nilson, 1995, 92).

### **Research Hypotheses**

#### **Main Hypothesis:**

There is significant relationship between brand awareness and guerrilla marketing in Iran's SME.

#### **Secondary hypotheses:**

1. There is significant relationship between guerilla marketing and marketing budget in Iran's SME.
2. There is significant relationship between guerilla marketing and perceived quality of main product of one brand in Iran's SME.
3. There is significant relationship between guerilla marketing and perceived proportion of main product of one brand in Iran's SME.
4. There is significant relationship between guerilla marketing and substitution capability of main product of one brand in Iran's SME.

### **Research Conceptual Model**

Conceptual model was designed based on research targets.

Figure1 Integration of guerrilla marketing and traditional marketing.

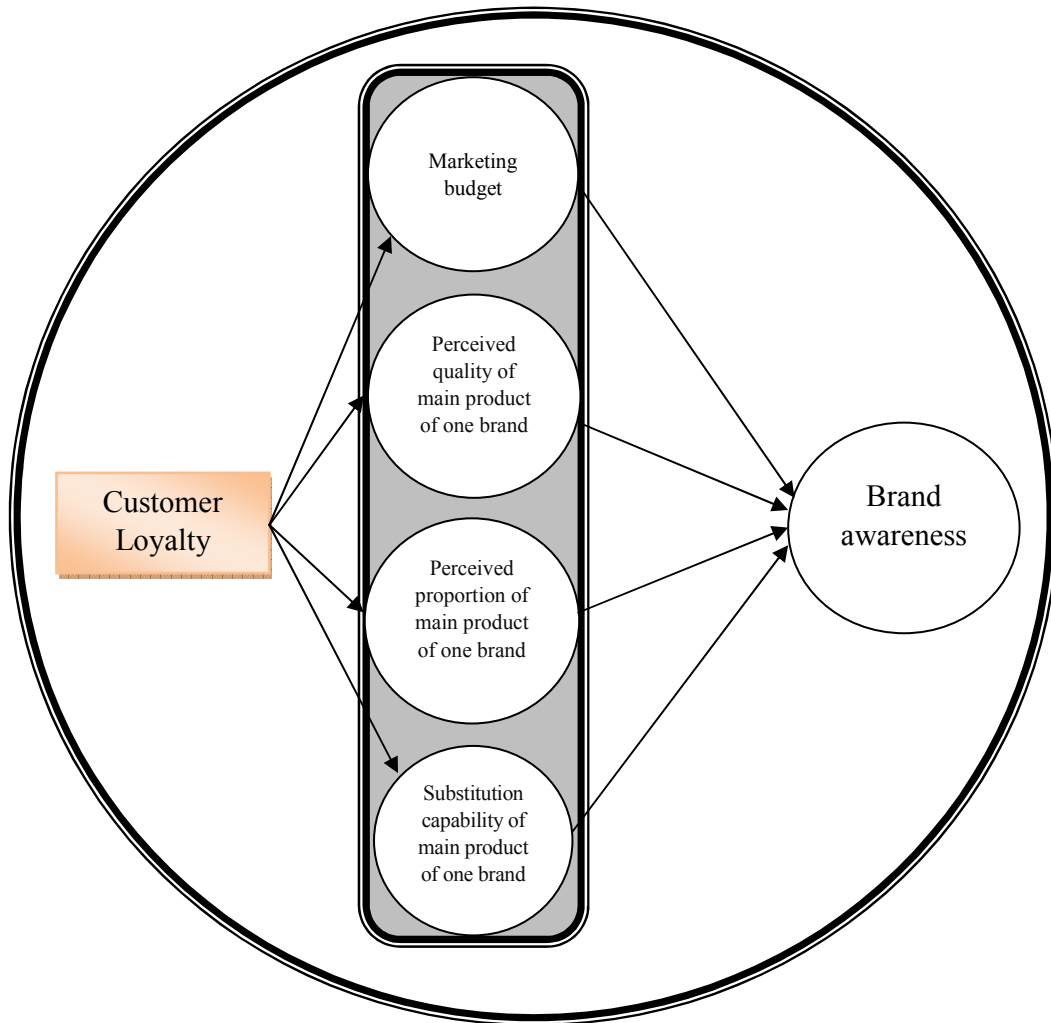


Figure1: Research conceptual model, working by author, 2011

### Statistical population and sample

Target population was SME in Iran. The departments in Iran's SME are: chemical industries, electrical & lighting industries, non metallic minerals, cellulose industries, textile industries, food & agriculture industries and metalindustries. Because the number of samples are 40 Iran's SME, we used of stratified random sampling.

Table 1: The stratified random sampling of industries in Iran's SME

<i>Type of Industry</i>	<i>The number of units in related industry</i>	<i>Relative share of related industry in population</i>	<i>The number of samples of related industry</i>
Chemical industries	25	(25/108)=0.33	(0.33*70)=13
Metalindustries	28	(28/108)=0.36	(0.36*70)=15
Food industries	۱۷	(17/108)=0.17	(0.17*70)=12
TextileIndustries	۶	(6/108)=0.05	(0.05*70)=3
Cellulose industries	۶	(6/108)=0.05	(0.05*70)=3
Non metallic minerals	۳	(3/108)=0.02	(0.02*70)=2
Electrical & lighting industries	۳	(3/108)=0.02	(0.02*70)=2
<b>Total</b>	<b>۱۰۸</b>	<b>۱</b>	<b>50</b>

Table 2: The number of industries in Iran's SME

<b>Type of Industry</b>	Electrical & lighting industries in Iran's SME	Non metallic minerals in Iran's SME	Cellulose industries in Iran's SME	Textile Industries in Iran's SME	Food industries in Iran's SME	Metalindustries in Iran's SME	Chemical industries in Iran's SME	<b>Total</b>
<b>The number of sample units that work in related industries</b>	۲	۲	۳	۳	۱۷	15	13	<b>50</b>

### Statistical population and sample

For determination of sample size, it was used of below formula.

$$n = \frac{Z^2 (1 - r^2)}{r^2 \cdot d^2}$$

Therefore, after substitution of digits in above formula, the number of samples was gained 40 and with the thought of raising the validity of these



questionnaires, and possible faulty ones among the questionnaires which will be returned, that number was raised to 50 and the questionnaires were done.

### Research Methodology

This research is applied research and survey-descriptive research. Data were collected by means of a postal and E-mail survey with a questionnaire containing the principal objectives of the research in the middle of 2009. The manufacturing plant is selected as a unit for analysis, which commonly operates in an industry with its own objectives and strategies.

The population is made of small and medium sized companies located in Iran such as automotive suppliers, oil and gas industry suppliers, electronics, machinery and so on. At each plant, the director of operations/manufacturing/research and development department (or equivalent) was asked to participate in the study. Most of the plant research coordinators were consulted to identify the right respondents in the plant who had pertinent

Knowledge, experience and ability to provide accurate and unbiased answers to the questions in the survey.. Time scope of the data collection was from March to June 2010.

For reliability of the research was used Cronbach's alpha coefficient and the results of variables reliability are shown in table 3.

Table 3: The result of variables research and questionnaire based on Cronbach's alpha coefficient

Variables	Alpha
Marketing budget	0.808
Perceived quality of main product of one brand	0.811
Perceived proportion of main product of one brand	0.823
Substitution capability of main product of one brand	0.835
Brand awareness	0.831
Customer Loyalty	0.865

Also, It is calculated Cronbach's alpha coefficient for all of questions of this research and resulted to 0.876 and this number is higher than 0.7, then the reliability of research is verified. For validity evaluation was used from content validity and verification of expert professors and expertise managers of enterprises in marketing.

## Research findings

### Data descriptive analysis

The number of samples was 50 managers that all of them were male. Based on table 6, all of participants in Kaveh industrial estate are medium age.

Table 8 distribution of frequencies of target population based on the occupational experiences.

For normality testing of variables, the Kolmogorov - Smirnov test was used. The test results are shown in table 4.

**Table 4: The result of Kolmogorov-Smirnov Test**

	Perceived quality of main product of one brand	Marketing budget	Perceived proportion of main product of one brand	Substitution capability of main product of one brand	Brand awareness
Sig	0.120	0.054	0.334	0.320	0.183

By Pearson's correlation coefficient, the relation among new methods of advertisement, new communicating technologies, innovation and problem solving techniques, marketing budget are verified.

**Table 5: Pearson's correlation coefficient for hypotheses**

Hypothesis	Variables	Pearson's correlation coefficient	p-value
Main hypothesis	Brand awareness Guerrilla marketing	0.489**	0.000
The first Secondary hypothesis	Perceived quality of main product of one brand Guerrilla marketing	0.458**	0.000
The second Secondary hypothesis	Perceived proportion of main product of one brand Guerrilla marketing	0.443**	0.000

The third Secondary hypothesis	Substitution capability of main product of one brand Guerrilla marketing	0.278*	0.013
The forth Secondary hypothesis	Customer Loyalty Guerrilla marketing	0.369**	0.000

Notification: \*\*error level of 0.01, \* error level of 0.05

In table 6, it is given statistics test in Friedman test.

**Table 6: Test Statistics in Friedman test**

Statistics	Score
Number	5
Chi-Square	145.124
Df	3
Asymp. Sig.	0.000

Because of error level (0.000) is lower than given error level(0.05),  $H_0$  based on equality of variables priorities is rejected. Thus, the result of Friedman test shows new communicating technologies item with mean of 1.99 in the first priority, the innovation and problem solving techniques with mean of 2.04 in the second priority, marketing budget item with of 2.87 in the third priority, new methods of advertisement item with mean of 3.10 in forth priority of productivity of organizational marketing.

**Table 7: Mean of Ranks in Friedman test**

Variables	Mean of Ranks
Perceived quality of main product of one brand	3.10
Perceived proportion of main product of one brand	2.04
Substitution capability of main product of one brand	1.73
Marketing budget	2.99

In the following table, productivity of organizational marketing questionnaires respondent sequentially presented new communicating technologies, marketing budget, innovation and problem solving techniques, new methods of advertisement.

**Table 8: Mean and Standard deviation of respondents Guerrilla marketing and Brand awareness variables**

Variable	Guerrilla marketing and Brand awareness Questionnaire (NO)	Mean	Standard deviation
New communicating technologies	30-35	3.4	0.8
Marketing budget	27-29	6.2	0.8
Innovation and problem solving techniques	1-19	4.7	0.6
New methods of advertisement	20-26	2.6	0.7

### Conclusions

Since this is a relatively poorly researched field, a broad methodology was used to gather and analyze the literature, which was not restricted to scholarly material. Broad searches via scholarly databases was done, but was supplemented with comprehensive Internet searches, material from newspapers and magazines, and numerous books aimed at the lay manager. Management consultants have conducted much of the work in the field and this has also been used, albeit with the requisite care and skepticism. The data thus gathered was analyzed using typical qualitative approaches such as a deconstruction of the relevant articles, and a reconstruction into the themes upon which this article is based. The believability and trustworthiness of the outcomes of this analysis is based on theory and data triangulation.

This research is with aim of analysis and investigation of role of brand and guerrilla marketing in keeping and increasing buy portfolio of customer” in Iran’s SME and in this respect three hypothesis has developed. For doing of this research after exploration of models and approaches in brand questionnaire and guerrilla marketing was used for customer of company. The conceptual model based on primary and sub hypothesis was designed. For gathering data, two questionnaires were

used for integration of guerrilla marketing and brand awareness. The research hypotheses were tested by correlation test, all the hypotheses were verified. In this section of the paper, a literature review of the literature relevant to marketing from guerrilla and Brand awareness point of view is provided. Work in this field is rather sparse and has been spread over a period of about fifteen years.

Firstly, the business environment will be provided in terms of complexity and turbulence, then a brief overview of guerrilla and brand awareness theories is provided and then the role of marketing in complex and turbulent environments from a chaos and complexity perspective is explained.

Finally, the marketing mix components are examined as the basis for the marketing mix model that is presented in the next section. Although many of the product management activities are destabilizing, the brand is an important stabilizing factor. In a market facing rapid change and turbulence, a strong brand name can be very important because, as the time available to communicate with the customer in shortened life cycles decreases, the brand is able to rapidly communicate the values for which it stands (Nilson, 1995,143).

Thus, branding is a stabilizing activity, necessary in a turbulent environment to support the application of destabilizing activities. Also it was concluded that Substitution capability of main product of one brand with mean of 1.73, Perceived proportion of main product of one brand with mean of 2.04, marketing budget item with mean of 2.99 and, perceived quality of main product of one brand with mean of 3.10 were first to fourth priority respectively.

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