

Guerilla Marketing Practices of Small and Medium Enterprises: A Case of Calbayog City, Philippines

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Abstract

Guerilla marketing focuses on innovative, low-campaign tactics. Time, energy and ingenuity are essential necessities and not resources. Sales may not be the main indicator of market performance, but rather the calculation of income. The entire study was conducted for the duration of 6 months in Calbayog City where most Small and Medium Enterprises (SMEs) are located at present. Descriptive assessment method of research was used in this study to determine the guerilla marketing practices of SMEs in Calbayog City. Researchers used percentage sampling in determining the respondents, wherein the researchers acquired the total number of SMEs owners and employees through the Department of Trade and Industries (DTI). Findings show that small and medium enterprises in Calbayog City maintain only 20 and below employees in their respective organizations which made these establishments be categorized as SMEs based on the criterion as to number of employees. Data revealed that SMEs in Calbayog City were rarely aware of practices in guerilla marketing. The researchers found that the most encountered problem is the tension among authorities in implementing guerilla marketing.

1. Introduction

Marketing becomes something like an ordinary method as we discover innovative methods like assessing and forecasting behavior, manipulating individuals and evaluating and quantifying ads. It's more like a fact, since more and more scientists inform us of human behavior. Sweeping aside ideas that marketing is a combination of art and science, we must think that marketing, at its heart, is a company. And the company aims at making income. If art and science help a company gain income, they are undoubtedly spearheaded by the guerilla marketer, the type of business owner who wants common objectives, such as prosperity and happiness, but utilizes them to accomplish in unconventional means (Levinson, 2007).

Guerilla advertising emphasizes communication tactics which are innovative and at low expense. Time, resources, and ingenuity are essential necessities and not income. Sales is not the main metric for calculating market performance, but instead the calculation of income. Guerillas marketers stressed maintaining current clients, rather than relying exclusively on acquiring new ones as stated by Jay Conrad Levinson. In the Philippines, modern forms in advertisement, promotion, and distribution are not as successful as they once were. Even if these costs more, the findings are becoming progressively unreliable due to the noise impact generated by various channels and advertisements that compete for our interest. Guerilla marketing presents a strategy to clean up the noise of brand communications by having a sense of belonging and standing out in such a creative manner, Reed said.

Therefore, guerilla marketing relies on ingenuity and imagination instead of a massive marketing budget, hesaid, emphasizing that it is especially appropriate for small companies and businessmen while large organizations are now using it to improve their promotional productivity (Diaz Jr., 2008). In view of the above premises and context, the researchers came up with the realization that there is a need to investigate the guerilla marketing practices in Calbayog City, specifically on SMEs where it is most applicable or useful marketing tools for them. In so doing, the researchers hoped to assess the guerilla marketing practices that are often used by SMEs in Calbayog City.

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2. Objectives

In general, this study assessed the level of awareness of SMEs based on the standards of guerilla marketing practices. Specifically, this study profiled the small and medium enterprises in Calbayog City in terms of initial capital, number of employees, annual gross income, and industry/sector. The study determined the level of awareness of SMEs in guerilla marketing practices as perceived by management and employees in terms of ambient marketing, sensation marketing, viral marketing, buzz marketing, and ambush marketing. Finally, the study involved the identification of the problems encountered in the conduct of guerilla marketing.

3. Literature Review

Guerilla marketing techniques give companies different ways to raise selling numbers by employing unorthodox tactics. Although guerilla marketing often focuses on that revenue and earnings, in terms of the tactics and approaches utilized it varies from mainstream marketing. The research provides a wide-ranging methodology that incorporates both local and foreign outlets and current literature to define trouble areas.

The analysis is a descriptive examination of the street art and associated tactics of advertisement. Guerilla ads often use the approach but the intention is not to alter the location or the street but to draw prospective customers' interest. Guerilla ads and promotions using guerilla artist tactics. They put up signs, add graphic posters, compose messages using spray paint or using stencils to place designs along highways. Through hiring hidden performers, they participate in action with respect to the substance and put functions in the streets. Everything guerilla artists do to exhibit their work, guerilla marketers do the same. They conduct such practices without seeking approval much like guerilla artists (Bigat, 2012).

Hutter and Hoffmann (2011) defined the emergence of guerilla marketing as an effort to capture the interest of a wider number of recipients by means of a surprise effect and a diffusion impact at reasonably low costs. The research illustrates how various tactical instruments elicit these results (ambient, aura, viral, hype and ambush marketing). Ultimately, since there is a unique scientific data on the success of aggressive tactics, the paper presents a methodological theory and some recommendations for more study from the viewpoint of customer behavior and the administrative viewpoint.

Krishna et.al., explored the role sensory marketing plays in improving the success of ads. The researchers concentrated on perceptions, exploring the impact of mental representation and mental visualization evoked by ad visuals on ad effectiveness. Second, they studied gustation results, zooming in on the impact of multi-sensory input on perceptions of the taste. Third, they expanded on the role of real and imagined contact in influencing perceptions and behaviors of consumers. Fourthly, the researchers were concerned about olfaction as a generator of ad recall and ad reaction. Eventually, they investigated the function of auditory perception in advertisement, reflecting on the impact of music on user memory and commercial assessments. It addressed the avenues for potential research in the field of sensory communication and drug advertisement (Krishna, Cian and Sokolova, 2016).

Aimed at forecasting customer buying behavior as a consequence of the internet-induced viral marketing techniques., The research was performed on raw data obtained through a self-structured questionnaire using a five-point Likert Scale. Judgmental sampling of nonprobabilities was used. The research examined the main variables that affected consumer purchasing behavior. Marketing executives would consider these aspects in approaching the consumer accordingly. Effective use of these variables may enable the company managers flourish. In this analysis, the researchers observed that the factors of immense efficacy, professed health, and increasing brand were major indicators of customer buying intent (Haryani and Motwani, 2015).

Buzz promotion is particularly effective for marketing. It creates subtle behavioural improvements that have significant consequences overtime. It has the ability to hit a "tipping point" in terms of popularity within a target audience. A case study on the health system's usage of buzz strategies to decrease antibiotic resistance by reducing patient appetite for antibiotics and assisting doctors in correctly administering the agents. Buzz messaging served as a powerful tool in medicinal advertising and recommended to be utilized by pharmacists. It functions better as people feel the benefits of technologies. This promote favorable attitudes by delivering demos and product presentations.

Dickson, Naylor, and Phelps (2015), conducted customer attitude surveys on ambush marketing. Their results were definitive but were not able to examine if such perceptions were unique to the sector. Instead than simply relating to a 'company' (i.e., non-industry specific), an industry-specific strategy describes the central market operation of the company. The investigators say that people perceive firms to take a higher degree of advertisement relative to alcohol producers and this should be expressed in far more hostile views about firms engaged in dubious recruiting activities.

Their findings revealed that most people view ambush targeting as immoral, and a technique that companies should not use. Though, there was very little proof to endorse the argument that consumers are keeping institutions to a higher degree in terms of ambush marketing.

4. Methodology/Methods

The descriptive assessment method of research was used in this study to determine the guerilla marketing practices of SMEs in Calbayog City. A research questionnaire was used in the collection of the needed data from the respondents. The entire study was conducted for the duration of six (6) months in the Calbayog City proper where most SMEs were located. The researchers used percentage sampling in determining the respondents. The researchers acquired the total number of SMEs owners and employees through the Department of Trade and Industries (DTI). The total number of owners and employees in the SMEs of Calbayog were exactly 2,731 as of 2015.

5. Results and Discussion

Findings show that small and medium enterprises in Calbayog City maintain only 20 and below employees which categorized these establishments as SMEs based on the criterion of number of employees. Majority of the enterprises in the City obtained annual gross income of 20,000,000 and below. It implied that these SMEs have only reached the minimum profit for their businesses and could not reach the optimum income level aspired for by any businessman. Most enterprises in Calbayog City were engaged in trade industry/sector. This means that most SMEs opted for trade industry since it had a short working capital cycle and shorter return of investment. Meaning to say, these businessmen need a shorter period for the return of capital so they could use it again to sustain the business.

Table 1: Frequency and Percentage Distribution on the Profile of the Small and Medium Enterprises in Calbayog City

Variables	Small Enterprise		Medium Enterprise		Overall	
	f	%	f	%	f	%
INITIAL CAPITAL (in pesos)						
20,000,000 and below	109	100.00	10	29.40	119	83.20
20,000,001 – 40,000,000	0	0.00	8	23.50	8	5.60
40,000,001 – 60,000,000	0	0.00	12	35.30	12	8.40
60,000,001 and above	0	0.00	4	11.80	4	2.80
TOTALS	109	100.00	34	100.00	143	100.00
Mean Initial Capital	6,771,025.29 pesos		35,938,738.63 pesos		13,706,006.09 pesos	
Standard Deviation	3,164,067.31 pesos		17,724,570.63 pesos		15,358,799.62 pesos	
NUMBER OF EMPLOYEES						
20 and below	107	98.20	18	52.90	125	87.40
21 – 40	2	1.80	11	32.40	13	9.10
41 and above	0	0.00	5	14.70	5	3.50
TOTALS	109	100.00	34	100.00	143	100.00
Mean Number of Employees	10.49 employees		30.56 employees		15.26 employees	
Standard Deviation	4.64 employees		32.04 employees		18.13 employees	
ANNUAL GROSS INCOME (in pesos)						
20,000,000 and below	108	99.10	11	32.40	119	83.20
20,000,001 – 40,000,000	0	0.00	9	26.50	9	6.30
40,000,001 – 60,000,000	0	0.00	7	20.60	7	4.90
60,000,001 and above	0	0.00	7	20.60	7	4.90
No Answer	1	0.90	0	0.00	1	0.70
TOTALS	109	100.00	34	100.00	143	100.00
Mean Annual Gross Income	7,249,587.40 pesos		37,919,778.57 pesos		14,517,097.96 pesos	
Standard Deviation	3,289,484.82 pesos		21,137,531.56 pesos		16,924,032.90 pesos	
INDUSTRY/SECTOR						
Trade	70	64.20	23	67.60	93	65.00
Services	34	31.20	10	29.40	44	30.80
Manufacturing	5	4.60	1	2.90	6	4.20
TOTALS	109	100.00	34	100.00	143	100.00

Moreover, these businessmen may have viewed services to be a non-competitive type of industry in the area consider that people in the city prefer to do their own laundry, organizing events, preparing food during events and celebration. Lastly, they were not into manufacturing since it requires bigger capital investment.

The conditions for “Ambient Marketing” have obtained a result of “Occasionally” from both the management and employees with mean ratings of 1.89 and 2.33, respectively. It can be deduced that management and employees were aware but not totally knowledgeable on ambient marketing practices based on Guerilla marketing practices. In conditions like “Sensation” and “Ambush” marketing, both respondents also have the same perceptions in which both rated “rarely” with mean ratings of 3.26 & 3.21 and 2.53 & 3.34. For “Viral” marketing, it gained 3.63 for management and 4.13 for employees. Meanwhile for “Buzz” marketing management rated “rarely” with a mean of 3.05 while employees rated 4.03 which corresponds to “sometimes”, respectively.

Table 2. Means and Standard Deviations on the Level of Awareness of Small and Medium Enterprises in Guerilla Marketing Practices of Calbayog City

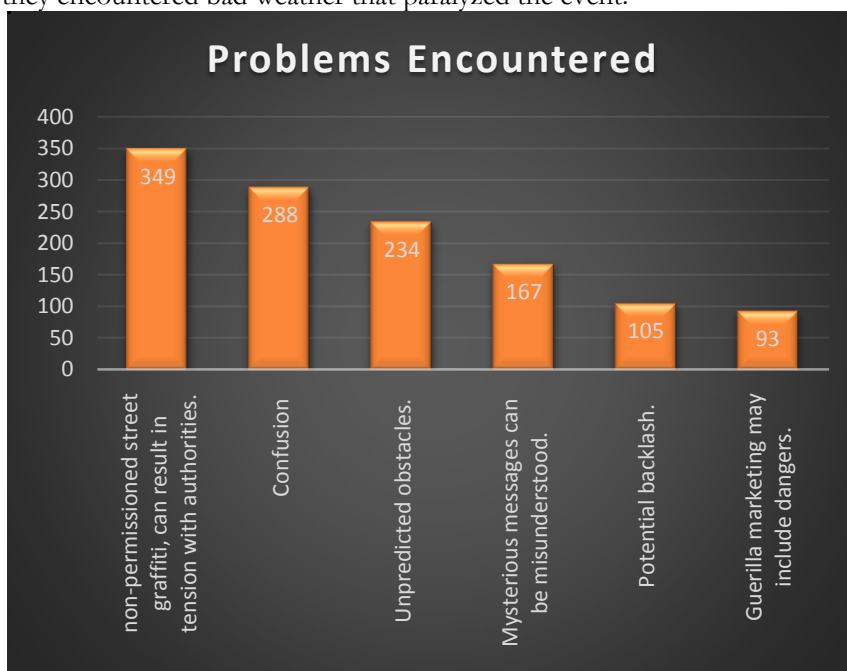
Conditions	Management			Employees			Overall		
	Mean	Desc	sd	Mean	Desc	sd	Mean	Desc	sd
Ambient Marketing	1.89	O	0.567	2.33	O	0.878	2.31	O	0.870
Sensation Marketing;	3.26	R	0.933	3.21	R	0.626	3.22	R	0.644
Viral Marketing	3.63	S	0.496	4.13	S	0.771	4.11	S	0.767
Buzz Marketing	3.05	R	1.026	4.03	S	0.868	3.98	S	0.901
Ambush Marketing	2.53	R	0.697	3.34	R	0.730	3.30	R	0.749
OVERALL	3.11	R	0.315	3.24	R	0.483	3.23	R	0.476

Legend:

- 4.51 – 5.00 (A) Always
- 3.51 – 4.50 (S) Sometimes
- 2.51 – 3.50 (R) Rarely
- 1.51 – 2.50 (O) Occasionally
- 1.00 – 1.50 (N) Never

This data reveals that both management and employees of SMEs in Calbayog City are “rarely aware” about the guerilla marketing practices. This implies that most of the SMEs in Calbayog are less aware of the kinds of guerilla marketing that could help improve their business or increase the profit of the organizations.

The researcher initially conducted a preliminary survey of what were the most common problems they encountered in the implementing guerilla practices. The top three problems encountered are the included tension among authorities in implementing guerilla marketing if done without permission, clients are confused on the message the management is conveying to its targets, and the unpredicted obstacles in implementing the guerilla marketing wherein they encountered bad weather that paralyzed the event.



6. Conclusion and Recommendation

Most emerging entrepreneurs are engaged in micro-enterprise based on the profile of the SMEs involved in the study. Operators or managers of SMES found it easy to venture into micro-enterprises since it is easier and convenient for them to start a business of this category. Most SMEs were concerned of the immediate return of investment. They needed to revolve their capital investments in a shorter period and they are not that confident to go into macro or large-scale business ventures. Moreover, most respondents are slightly aware of the guerilla marketing practices and its various types.

Based on the results of the study, the researchers encourage enterprises to invest more on their businesses so that capital investment is increased. This would upgrade the category of their enterprises. SMEs may also tap the academe or local government to assist them in acquiring knowledge about guerilla marketing through conduct of seminars and training workshops. Lastly, another study could be done exploring other areas in guerilla marketing as used by businesses.

7. References

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