

Small and Medium Enterprises Brand Positioning Through Guerilla Marketing Principles

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Abstract. The article analyses the positioning process of small and medium enterprises using the principles of guerrilla marketing. At the beginning of a business start-up, the positioning process becomes crucial to gain a competitive advantage in a crowded market. The problem is that small business cannot compete in the market with the same marketing tools as large companies. Exceptionally, small businesses often face three problems: lack of financial resources for advertising, lack of marketing specialists, inability to compete with large companies. The scientific literature analysis allowed us to systematise the essential principles of memorising the brand's position using guerrilla marketing principles. The model of small and medium business brand positioning through guerrilla marketing and its principles are also presented. Guerrilla marketing is a particularly suitable way for small businesses as it requires creativity, intellectual and time investment rather than financial resources.

Keywords: *guerilla marketing, SMEs, brand positioning.*

Introduction

The relevance of the article

In a world dominated by globalisation, the market competes for similar products and their substitutes and brands. To stand out, companies must manage brand management processes: positioning, marketing, value measurement, and value enhancement.

For companies of all sizes, brand creation, development, and proper management has become the primary business goal. According to the publication Versli Lietuva (2019), in Lithuania, more than 99% of the corporate market is occupied by small and medium-sized businesses, the founders of which often do not have managerial or business competencies. As the number of small and medium-sized enterprises grows, so do consumers' needs, which require a proper brand positioning strategy. Brand positioning is considered a vital tool for brand implementation in competitive markets (Aaker, 1996; Hooley et al., 1998; Kotler, 2000). Due to insufficient capital, small and medium-sized enterprises often do not have the funds for expensive advertising and communication tools, so it is essential to understand and apply guerrilla marketing principles based on low costs and high consumer reach. Small businesses' advantage is their flexibility and quick adaptation, so the opportunities for a guerrilla marketing strategy are particularly favourable to them.

Level of problem investigation

The concept and principles of guerrilla marketing were discovered and explored by Levinson (2009). Still, more research on the principles and methods of guerrilla marketing in SMEs was conducted by Yuksekbilgili (2014), Katke (2016), Ahmed et al. (2020). The research focuses on consumer perception and analysis of their purchasing decision. Išoraitė (2013) and Katke studied the effectiveness of the measures. It should be noted that the application of guerrilla marketing principles in brand positioning in SMEs is insufficient and unsystematic. There is a lack of models in the scientific literature to help SMEs understand how to apply the principles in brand positioning and stand out from competitors and large companies. In order to assess which principles can help a brand position itself and become competitive, it is important to conduct a more in-depth analysis and develop a theoretical model that would help SMEs increase brand awareness.

After analysing the Lithuanian and foreign scientific literature, it was noticed that no scientific model had been developed that would examine the positioning of small and medium-sized businesses using guerilla marketing.

Scientific problem. The scientific models of the brand positioning phase, designed for small and medium-sized businesses, do not provide planning methodology and implementation tools for how to run a competitive business by applying guerrilla marketing strategies.

The article's object – Small and Medium Enterprises (SME's) brand positioning using guerilla marketing strategies.

The article presents a brand positioning model for small and medium enterprises using guerrilla marketing strategies.

Objectives of the article:

1. To define the concept of a small and medium business.
2. To theoretically define the principles of brand positioning and guerrilla marketing.
3. Using guerrilla marketing to single out the model of brand positioning for small and medium business.

Methods of the article. A comparative analysis, systematisation, deduction and induction of scientific literature.

1. Literature review

1.1 The concept and distinguishing features of small and medium business

Small and medium-sized enterprises play an essential role in the economy of each country. It is one of the vital drivers of economic growth, attracting investment, boosting employment and driving competitiveness. Small businesses in Europe and Lithuania dominate in their numbers, as it is relatively easy to start this activity. Very small, small and medium-sized enterprises in Lithuania are characterized by the criteria of the number of employees, annual income and the value of the asset balance (Table 1). The Lisbon Strategy (2000) states that it is essential that the country's economy create a favourable environment for the establishment and development of small and medium-sized enterprises.

Table 1

The structure of very, small and medium-sized enterprises as provided for in the Law on Small and Medium Business of the Republic of Lithuania

SME's	Number of employees	Annual income (mln. Eur)	Balance sheet total (mln. Eur)
Very small	Less than 10	2	2
Small	Less than 50	10	10
Medium	Less than 250	50	43

Source: Law on Small and Medium Business of the Republic of Lithuania (2017), II chapter, three articles.

Each form of economic activity has its advantages and disadvantages, which one should understand before starting an action. Šimanskienė (2015) states that small and medium-sized enterprises are mobile, flexible, and able to respond to frequently changing demand conditions, technological requirements, and the ability to innovate. Nevertheless, a simple business start-up often misleads founders who do not know the necessary permits, financial accounting or marketing tools. Such mistakes lead to financial difficulties over time, so the advantages and disadvantages of SMEs should be assessed before starting (Table 2).

Table 2

SME's advantages and disadvantages

ADVANTAGES	DISADVANTAGES
Fast decisions	Lack of control of the formal management system: cost of the project and investment of time
Operative adaptation	Lack of financial resources
High-level communication – everyone knows what is going on	Lack of skills and business experience

Common and clear vision	Long-term strategic directions
Flexibility	Lack of consistent planning
Entrepreneurial spirit and risk-taking	Poor risk management
Energy, enthusiasm and passion for innovation	Lack of modern systems
Good external and internal network	Limited access to resources
A simple start	Difficult to get a bank loan for business
You don't need significant capital	Big competition
Government and EU support	Lack of budget for advertising

Source: by author, based on Tidd, J. & Bessant, J. (2019). *Managing Innovation; Investicijos ir finansai, SVV – tai puikus būdas įgyvendinti savo idėjas.*

Starting an SME is usually fascinating in its simplicity, flexibility and ability to adapt quickly to changing circumstances. However, a simple business start-up often misleads founders who do not have sufficient knowledge of the necessary permits, financial accounting or marketing tools. Such mistakes lead to financial difficulties over time, so everything should be thought through and planned in detail before starting an SME.

1.2 The principles of brand positioning and guerrilla marketing

Business mentor Karpienė (2019) advises SMEs to create a brand instead of cheap copies. In creating an SME, the brand plays an important role, which is to attract consumers' attention, which could be shocking. To build a lasting business, a foundation of values that will reflect the brand itself throughout the company's lifecycle is needed.

Branding in the global world is considered one of the most important areas of marketing, and the brand interface between the consumer and the company is fundamental in today's marketplace. A brand is an element of understanding consumer desires and value. The American Marketing Association (AMA) defines a trademark as "a name, term, mark, symbol design, or combination designed to identify the goods of a single seller or group sellers from the goods or services of competitors". Urbanskienė, & Aleliūnaitė (2000) and other authors' definitions of the brand, it can be distinguished that the brand consists of three parts: the brand image, the perception of the brand by consumers, the individuality of the brand, the brand creators want, so that consumers understand the brand and brand positioning is the place of the brand in the market at a given moment.

Brand positioning is a way for consumers to perceive brand attributes, strengths, and values (Keller, 2008). This perception is based on the different space that a brand occupies in the minds of consumers compared to competing brands. Therefore, brand positioning is based on two factors: the brand's position **in relation to competition** and how the brand is perceived **by consumers**. Interestingly, it is, nevertheless, consumers who determine brand positioning (Claudiu-Catalin, 2014). Kendukhov (2008), taking into account the aspect of rapid development, pointed out that the biggest problem in brand positioning arises from the lack of a clear understanding of what the ideal position of a brand should be. However, Aaker, & Shansby (1982) state that the ideal position should serve the understanding of the perfect consumer. The most substantial level of positioning is focused on values and beliefs, where the brand is able to engage the consumer on a deep, emotional level. Such brands are less dependent on the tangible characteristics of a product or service; they rely on the creation of passion, surprise, emotion and excitement that is reminiscent of a brand. This is what the use of guerrilla marketing can create. Small and medium-sized businesses that do not have large funds for traditional marketing tools are often unable to improve their marketing efforts and are on the verge of collapse. When building a brand, it is especially important to find marketing methods that make advertising as memorable as possible. Guerrilla marketing is a type of advertising whose main purpose is not financial but creative and intellectual resources and their use. The author of the concept of guerrilla marketing, Levinson (2009), singles out 16 basic principles, which are supplemented by the observations of the author Abingdon (2008) (Table 3).

Table 3

Guerrilla marketing principles

Principle	Comment
Commitment	This principle relates to the marketing plan, its implementation and adherence to objectives.
Investing	Guerrilla marketing requires little financial resources, however, such an investment is conservative because adaptive measures take time to achieve efficiency and success is not guaranteed.
Consistency	This principle is related to the preservation of identity, and individual measures are not effective. Users don't like the changes in content or image format they're used to.
Trust	Trust is closely linked to product quality and consistency, and consumer confidence builds loyalty.
Patience	This principle relates to the implementation of the marketing plan and the perception of marketing as an investment. The marketing plan must be implemented consistently and patiently.
Diversity	The variety and integration of guerrilla marketing tools help to achieve a common goal and influences brand and organisational awareness.
Continuity	This principle is associated with marketing activities after the sale of the product; such marketing activities guarantee a profit.
Convenience	This principle is based on meeting the need for user convenience: convenient location, flexible working hours, accessibility by e-mail or telephone, parking space.
Surprise	A company with guerilla marketing should adhere to the principle of continually monitoring customers, thus gaining a competitive advantage.
Evaluation	The effectiveness of marketing tools must be constantly evaluated. Applying this principle makes it easier to abandon ineffective measures and focus more on the most effective ones.
Interest	Mutual interest is the focus shown by the entrepreneur on the consumer in order to get feedback and increase consumer loyalty.
Dependency	Many small business owners consider themselves independent, but in guerrilla marketing, teamwork, partners, and competitors are especially important, which is what causes interdependence between entities.
Armament	Guerrilla marketing weapons are technologies, online visibility, inexpensive technologies that reduce production costs.
Acceptance	This principle means consenting to accept information about a specific company or product. Following this principle, time is used optimally because potential customers are abandoned, and communication with potential is maintained.
Content	Content is related to the quality of the product and its essence. Such marketing is based on the benefits of the main product, but it does not seek to attract the customer with the most effective means of promotion.
Development	Marketing strategy must be constantly developed, new guerrilla marketing tools and tactics are frequently being sought.

Source: by author, based on Tidd, J., & Bessant, J. (2019). *Managing Innovation; Investicijos ir finansai, SVV – tai puikus būdas įgyvendinti savo idėjas.*

When analysing the principles of marketing, Dia (2017) noted that these principles are suitable for especially small businesses to help them advertise with minimal resources. Guerrilla marketing is based on psychology, not experience, decisions, or guessing. Money is not the main tool to successfully use this marketing tool; determining success is time, energy and imagination. The author points out that guerrilla marketing is not as competitive as it seems. It also offers to collaborate with other companies to make the benefits felt by all parties.

2. Empirical level of the research

2.1 Study implications

The pandemic period has shown that SMEs are vulnerable, as many of them do not have accumulated a reserve for the black day, and even a short-term decline in income can be fatal for them (Rudžys, 2020). It is especially important for every company to be prepared for a period of market stagnation, financially and creatively, which could help ensure a minimum financial income. Creative solutions in business, and especially in marketing, help engage consumers and remember the brand. Gokerik et al. (2018) stated that the use of guerrilla marketing in social networks has a positive effect

on both the functional and symbolic image of the brand. Guerilla marketing variables in social media that affect brand image are information quality, reliability, needs, approach to information, usefulness, information acceptance, and functional and symbolic brand image. Ahmed et al. (2020) investigated guerilla marketing methods for small and medium enterprises: viral marketing, strange events, street graphics, and memorable events. The use of these methods and technologies in small and small businesses increases brand awareness. Although an analysis of the literature shows that guerrilla marketing is a suitable marketing tool for small and medium-sized businesses in brand positioning, practical research shows that 82% of companies know the idea of guerrilla marketing. However, only 16% of them use or plan to use this method in practice (Yuksekbilgili, 2014). Unfortunately, research reveals that in practice, very few small and medium-sized enterprises use guerrilla marketing. As for guerrilla marketing tools, they are often commented on based on the principles discovered by Levinson but are rarely analysed in practice. Many authors delve deeper into guerrilla marketing through consumer perception, but forget about the competitive environment or, in other words, fail to find research on guerrilla marketing in relation to competitors. In the empirical studies analysed, the authors often use the word efficiency, however, the studies do not provide an assessment of effectiveness or results (Gokerik et al., 2018). Much of the research analysing guerrilla marketing in small and medium-sized businesses is conducted through consumer perception. Regarding competitors, the use of guerrilla marketing in small and medium-sized enterprises is not widely analysed. A theoretical model of SME brand positioning using guerilla marketing principles has been developed (Fig. 1) due to these shortcomings.

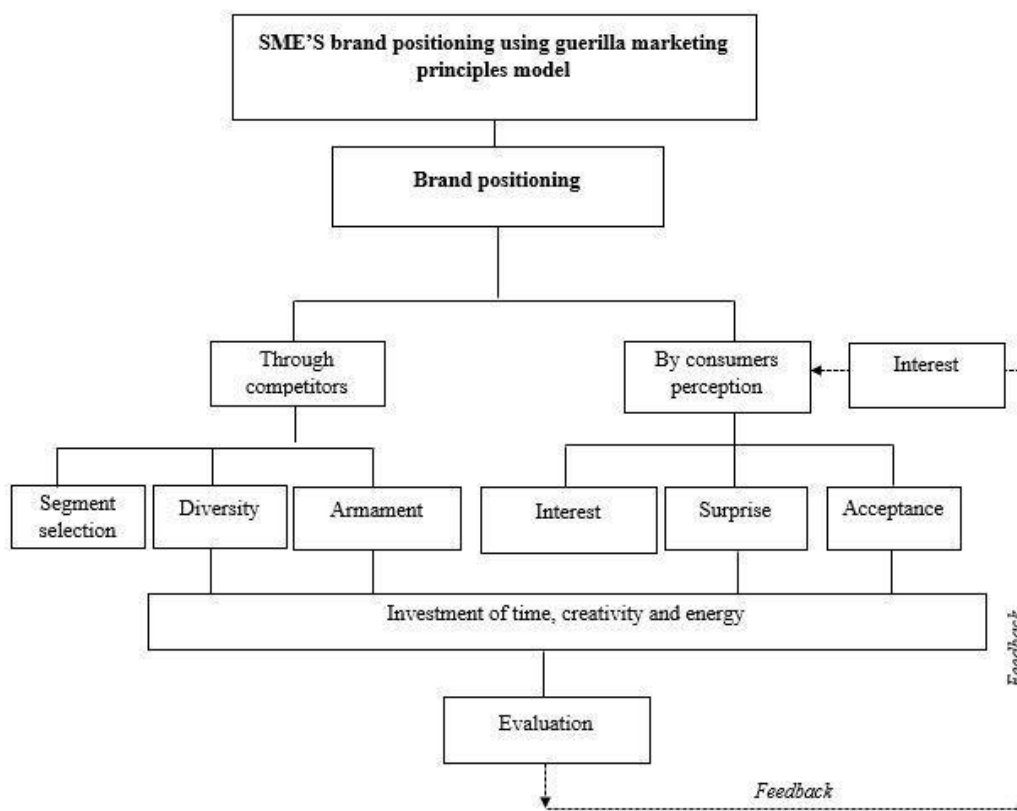


Fig. 1. A theoretical model of SME brand positioning using guerilla marketing principles

Brand positioning is based on two stages: in relation to competitors and through consumer perception. The model consists of 6 principles of guerrilla marketing, the implementation of which requires an investment of time, creativity and energy. The use of guerrilla marketing principles is appropriate for small and medium businesses as it does not require high financial costs. In terms of competitors, the small audience segment, diversity and armament are particularly important. The chosen operating segment must be relatively small, which can be protected from the actions of

competitors. For this reason, such an application of the model is disadvantageous for large companies. Another important criterion is the variety and integration of guerilla marketing tools, which increases brand awareness. Armament is a useful step over competitors in terms of online visibility, where SMEs have the opportunity to compete with the biggest brands and deliver their message to a thousand audiences without spending a large budget.

It is especially important to manage the brand through consumer perception, which creates feedback. Consumer choice is greatly influenced by the principle of interest when the brand seeks to create feedback to the consumer and thus promotes his loyalty. Another essential principle is surprise. When positioning a brand, SMEs need to be able to monitor the consumer and therefore gain a competitive advantage. The principle of consent means the customer's consent to receive information about a specific brand, so non-potential customers are abandoned, and contact with potential customers is maintained in accordance with this principle. All six principles are not based on financial means but on investment of time, energy and creativity.

However, regular evaluation is especially important to properly position a brand in the long run. Evaluation defines brand interest based on feedback. It also performs a function of the interaction between a brand and consumer perception, which can increase brand awareness. Therefore, using such a model efficiently, small and medium enterprises in the positioning stage should attract the interest of the user.

Conclusions

1. Small businesses in Europe and Lithuania dominate in their numbers, as it is relatively easy to start this activity. Very small, small and medium-sized enterprises in Lithuania are characterised by the criteria of the number of employees, annual income and the value of the asset balance. The advantages of small and medium business start-ups are fast delivery, flexibility and state support. The main shortcomings that should be assessed before starting a small and medium-sized business are the limited possibilities of a bank loan, the specificity of large companies, and the limited financial, control and experience resources.

2. It has been established that brand positioning is a certain place of the brand in the market at a certain moment, and positioning is performed throughout the life of the brand. Guerrilla marketing is less expensive than traditional and offers more opportunities to reach target audiences at a lower cost. Due to the limited financial resources of small and medium-sized businesses, guerrilla marketing is used for advertising and marketing, which helps to reach the target audience using creative but not large financial resources. By using guerrilla marketing principles, small and medium enterprises can compete with big businesses and thus secure their brand market position in the long run.

3. There are no specific models of brand positioning through guerrilla marketing, though the main positions of the brand are distinguished: in relation to competitors and consumers. Based on these categories and using the principles of guerrilla marketing, a model of brand positioning for small and medium business through guerrilla marketing has been developed.

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