Marketing and the Use of Technology in an Entrepreneurial Organisation- An Illustrative Case From a Wine Merchant

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Abstract: There are suggestions that management in small entrepreneurial companies is characterised by limited resources and lack of specialist expertise. Managers in such organisations are rarely strategists but people performing many tasks and preoccupied with the short term and guided by principles of their founders. Such founders usually know how a particular market functions and are experienced in identifying customer needs and wants which may lead to spontaneous and/or reactive approaches to marketing-related issues. Many smaller firms are typically “closer to the customer”, either in the literal sense of physical proximity in a relatively small geographical network or in the sense of responding to customer needs. However, entrepreneurial organisations may have difficulty in standing back from the customer interface in order to plan strategically or for the longer-term.

The paper focuses on one small business engaged in the marketing of wine to both individual consumers and to business. For the purposes of confidentiality, the name and location of the business have been changed.

The development and evolution of technology has provided SME retailers with opportunities to widen and enhance their distribution and communication methods by developing interactive channels. Many SMEs limit themselves by the way in which they collect data. Cheaper and more readily available technology allows them the potential to store and mine customer data and plan their working environment. However, the collection of such data requires forward thinking as to the real purpose and value of such data. There is a tendency to under-utilise the raw data in order to get meaningful marketing information from it.

An in-depth qualitative approach was taken which included developing a relationship with the SME owner over a period of 18 months. Multiple methods of data collection were used to elicit rich data from within the company. Structured observation by the two researchers was undertaken at the business headquarters of the organisation, as well as semi-structured interviews with the owner-manager and a part-time consultant. The marketing systems of the SME were interrogated and this included analysis of their customer database. The SME web-site was also benchmarked against similar and competing businesses.
The case highlighted a number of issues relevant to SME marketing including the ability to interpret the data for marketing purposes. A best-practice framework has been developed which can be tested against other SMEs in the wine sector.