

Is marketing practice applicable to small business growth? A literature review based study

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Abstract: *Small businesses are mostly sole proprietorship businesses having a small size and limited capital. Most entrepreneurs have either followed the trend or had an initial innovative idea to fill a market gap. The vital question this paper addresses is - does marketing practices, which are followed in medium and large businesses, are applicable in the growth of small businesses or not. An extensive literature-based study reveals that the operational focus of small business coupled with resource constraints lead to an adaptive response rather than a systematic planning process. While the universal theories of marketing are valuable to all business, insufficient knowledge about marketing in small business remains a reality. Moreover, an appropriate marketing theory, specifically related to the understanding of strategic marketing in small business, is absent. Attention has been paid mostly to the constraints of small businesses, while the importance of the marketing discipline has been overlooked. A balanced approach, putting emphasis on both the small firm's limitations and the normative marketing discipline should be focused. Market orientation and innovation give small businesses an edge over competitors.*

Keywords: Small business, marketing practice, growth and survival, market orientation, entrepreneurial marketing.

Introduction

This paper aims at presenting a method for a structured literature review on the use of marketing practice in small business. By definition small businesses are those businesses which are “small” in size in the contexts of their specific industries and those having significant self-determining and primary power of decision making residing in single individuals, usually with ownership but not necessarily that ownership residing in management (Jocumsen, 2004). The definition of small business differs from country to country and between different time periods in the same country. In Bangladesh, there is no single definition of small business. On 26 May 2008, the Agricultural Credit and Special Programs Department (ACSPD) of Bangladesh Bank in a circular (No.8) defined a small business as shown as follows (Islam, 2014).

1. **Trading** (Fixed Assets (excluding land and building) is Tk. .05 million to Tk. 5 million and No. of Employee (full time) Maximum 25.
2. **Manufacturing** (Fixed Assets (excluding land and building) is Tk. .05 million to Tk. 15 million and No. of Employee (full time) Maximum 50.
3. **Service** (Fixed Assets (excluding land and building) is Tk. .05 million to Tk. 5 million and No. of Employee (full time) Maximum 25.

The management process in small firms is unique in each case. They bear little or no resemblance to the standard management processes found in larger organizations, which have

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