Online Marketing in a Small-Medium Enterprise (SME)

By

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A Research Project Submitted to Saint Mary’s University, Halifax, Nova Scotia in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration.

April 2013 Halifax, Nova Scotia

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Table of Contents

Acknowledgement .......................................................................................................................... 3

Abstract ........................................................................................................................................ 4

1. Introduction ............................................................................................................................... 5
   Purpose and Scope of Research ............................................................................................... 6
   Research Approach .................................................................................................................. 7

2. Literature Review ...................................................................................................................... 8
   Traditional and Evolving Marketing Models ........................................................................... 10
   Drivers and Barriers to SME’s Adoption of Internet for Marketing ........................................ 15
   Online Branding, Communication, and Retail Channels ......................................................... 18
      Branding ................................................................................................................................. 18
      Communication ....................................................................................................................... 20
      Retail Channels ..................................................................................................................... 21
   Building customer relationships ............................................................................................. 23
   The Impact of Social Media ...................................................................................................... 25
   Conclusion ................................................................................................................................. 26

3. Methodology ............................................................................................................................ 28

4. Case Study ................................................................................................................................ 31
   Introduction to Company .......................................................................................................... 31
   Current State ............................................................................................................................ 34

5. Results ....................................................................................................................................... 38
   Specific Online and Traditional Marketing Initiatives .............................................................. 38
   2011 ........................................................................................................................................... 38
      Summer Period ....................................................................................................................... 38
      Annual Thanksgiving Sale (October) ..................................................................................... 39
      Anniversary Sale (November) ............................................................................................ 40
      Facebook Re-launch/Christmas Sale (December) ................................................................. 40
   2012 ........................................................................................................................................... 41
      ‘Sow-per Bowl’ Special (January) ......................................................................................... 41
      SMU MBA Google Ad Word Project (May-June) ................................................................. 43
      Twitter Launch/Tall Ships (July) .......................................................................................... 47
SUMMER PERIOD: 31 July to 13 August

SUMMARY: 14 August to 19 August

Discussion and Conclusions: 6.1 to 6.8

Discussion: 6.1 to 6.4

Conclusion: 6.8 to 6.9

Research Limitations: 7.1 to 7.4

Managerial Implications: 7.5 to 7.6

Future Research: 8.1 to 8.4

References: 9.1 to 9.4

Appendix 1: Google Analytics Reports for Meadowbrook Web Site: 10.1 to 10.2
Acknowledgement

I would like to acknowledge various people for helping me during the course of this research project. I would like to thank my supervisor, Dr. Ramesh Venkat, for his generous commitment of time and advice over the course of the research. His involvement was invaluable.

I am grateful to Jim and Margie Lamb for sharing their time and allowing me access inside the doors of Meadowbrook Meat Market. Not only did they allow me to see what made their business so successful but they also allowed me to see where they struggled and see how a total commitment to their family business can bring many highs and lows. I also would like to thank Emma Lamb for her assistance in providing data and answering questions related to Meadowbrook’s social media and web site.

Finally, I would like to very much thank my wife Natasha and my children Hannah and Nicholas for their support and patience as I not only completed this work but the MBA program in general. Their constant positive feedback was always uplifting.
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Abstract

Whether viewing online content via a personal computer (PC), tablet, or smartphone, it is inevitable that the viewer will be inundated with marketing from all sides. Whether it is an HTML pop-up ad, an Adobe Flash commercial, or a targeted Google Ad, large corporations have spent millions of dollars on coordinated marketing initiatives. In Canada (as in many other areas of the world), Small and Medium Enterprises (SME’s) outnumber the larger corporations but don’t have the capital (monetary and intellectual) to dedicate to complex marketing campaigns.

Taking these constraints into consideration SME’s are still faced with an increasing number of consumers using online sources for researching and purchasing products and services. With global markets being brought even closer by the web, the option for SME’s to neglect online marketing is not viable. This paper’s purpose is to examine the challenges facing SME’s as it relates to online marketing. Recent literature on the subject matter will be discussed and case study will examine how a SME facing a marketing dilemma attempted to address it via the web while facing a steep learning curve. The study shows that SME’s are hindered, not only by the tangible constraints listed above, but by misconceptions associated with the costs and efforts associated. In many cases, including within the case study, these misconceptions provide more of a hurdle than the actual constraints themselves.
1. Introduction

Ask any person who spends any amount of time on the internet and it is almost certain that they can tell you about numerous instances of marketing they faced (whether they went looking for it or not). Be it a search engine (e.g. Google Ad Words), similar product referral (e.g. Amazon.com), or the more traditional sponsorship (e.g. contest or product endorsement) web browsing without being swamped by marketing is virtually impossible.

Throughout the last decade, large corporations began to understand the marketing paradigm shift and mobilized to shift their marketing dollars from traditional print media and radio/television to web-based initiatives. By the late 2000's, driven even more by the exponential growth in social media (e.g. Facebook) and mobile technology (e.g. smart phones and tablets), large corporations viewed online marketing as the new greenfield opportunity, even though many went in without much of a plan to achieve success. As Mike Moran so aptly put it “This is not your father's marketing. Instead of “do it right no matter what”, search marketing demands that you “do it wrong quickly and then fix it.” (Odden, 2008).

Throughout this exciting period, while large corporations tried to navigate through this previously uncharted territory, Small and Medium Enterprises (SME’s) were predominantly inactive. While dramatically outnumbering larger corporations, SME’s don’t generally have the relative capital (monetary and intellectual) to dedicate to complex marketing campaigns. So while larger corporations jumped at trying to capitalize on the new medium, SME’s either waited for things to mature or
in many cases tried to keep up with what had been the status quo (e.g. have a static web site).

With these resource challenges, it would be easy to predict the demise of the SME or at a minimum marginalize the ability of SME’s to utilize online marketing. However, as one looks at the nature of how SME’s do business and market themselves, one would be surprised about how their methodology aligns with this new paradigm.

**Purpose and Scope of Research**

The purpose of this research is to examine how SME’s deal with the challenges of adopting an online marketing strategy and the subsequent implementation of said plans. In launching this research project, one of the initial goals was to take a small business which is not effectively using online marketing tools and assist them in implementing these tools (in the end, the degree to which I assisted them was limited to providing information on the options available). Along the way, it would be essential to measure the impacts of each tool to measure their relative success/failure.

Beyond examining an SME’s use of marketing tools, another goal of this research was to examine any philosophical marketing gaps they may have bridge to be successful at marketing online. More specifically, to prove that the inherent nature of how SME’s marketed themselves was actually closer to emerging online marketing techniques and further away from the mega-sized marketing campaigns of the larger firms. It is my hope that this research will assist managers/owners of
other SME’s in navigating through common misconceptions and overcoming the seemingly daunting task of marketing online.

While existing research on this topic is limited, a literature review was undertaken with intent to establish, if you will, a baseline of common attributes for SME’s in this situation. It is from this baseline we can ask the following questions: Beyond purely resource-based limitations, what hurdles do SME’s face in adopting online marketing? How could the way a SME traditionally markets itself put it at an advantage over a large corporation when it comes to online marketing and social media? How were those SME’s who successfully adopted able to achieve their online marketing goals?

**Research Approach**

For this research project, the case method approach was used. This methodology was chosen as it was deemed most useful in studying recent phenomenon like online marketing and social media. More specifically, this is due to the relative lack of research available for these areas within the SME area.

For the case study, the research will follow a SME within the wholesale/retail food industry. Specifically, we will document their 14-month journey as they make the transition from traditional marketing methods to focus on more online and social media-based campaigns.
2. Literature Review

Industry Canada defines a small business as one that has fewer than 100 employees (if the business is a goods-producing business) or fewer than 50 employees (if the business is a service-based business), and a medium-sized business as fewer than 500 (Statistics Canada SEPH, 2008). Statistics Canada’s Survey of Employment, Payrolls and Hours (SEPH) covers employer businesses in Canada and reports the number of employees at the enterprise level. According to SEPH data, on average in 2007, “just over 5.1 million employees on payroll, or 48 percent of the total private sector labour force, worked for small enterprises (those with fewer than 100 employees)... More than 1.7 million, or 16 percent, worked for medium-sized enterprises (those with 100 to 499 employees). In total, SMEs employed just over 6.8 million (64 percent) of private sector employees covered by SEPH” (Statistics Canada SEPH, 2008). The statistics quoted above show that SME’s make a substantial contribution to the economy of Canada.

Even with the magnitude of this contribution, SME’s throughout the country and worldwide (estimated to account for 80 per cent of global economic growth) (Jutla, Bodorik, & Dhaliqal, 2002) do not consider marketing of their businesses as a strategic component of their day to day operations. While marketing in the small firm context has not been extensively researched, the studies conducted in this area have shown that marketing forms one of the biggest problems that small business owners face while still being one of the most important business activities that are
essential for the survival and growth of the small enterprises (Simpson & Taylor, 2002).

Researchers in this area of marketing widely agree that marketing in small enterprises differs from that in large firms. Small firm marketing has been characterised as “haphazard, informal, loose, unstructured, spontaneous, reactive, and built upon as well as conforming to industry norms” (Gilmore, Carson, & Grant, 2001). In small enterprises, marketing is used for the needs of the moment and only little attention is paid to plans, strategies and analysis. This contrasts to marketing in large firms which is seen as formal, planned and well structured (Stokes, 2002).

Adding to the complexity for the SME has been the shift from traditional marketing methodologies (e.g. The Marketing Mix) to more refined models and a subsequent massive shift of marketing effort from traditional channels (radio, newspapers, etc.) to online channels (websites and other social media). As early as 2006, the Internet assumed a significant role in marketing as it represented the number one source of media for consumers at work and the number two source of media at home, reaching more than 60% of all United States consumers for an average weekly usage rate of more than 100 minutes (Rashtchy, Kessler, Bieber, Shindler, & Tzeng, 2007).

Over the next five years, it can be easily argued that social media has exploded in the consumer consciousness. The following statistics speak to this:

- In the US, there are 149M active Facebook users, 70% log in once a day (Rao, 2010)
• Social media accounts for ~ 25% of all time spent online - over 35 minutes per hour (Keane, 2011)
• $4.26 billion will be spent on social media marketing globally in 2011 (Williamson, 2011)
• Facebook revealed it has more than 955 million monthly active users, as of end of June 2012 (Yung-Hui, 2012)

As the above statistics on internet usage and social media adoption point out, growth in both areas have significantly shifted the marketing paradigm away from traditional marketing practices. As SME’s already were lagging behind their large enterprise competitors in this area, what does this shift to online marketing via social media leave the SME? The answer to this question may not be as straightforward as you think.

**Traditional and Evolving Marketing Models**

Marketing the way most textbooks treat it today was introduced around 1960. The concept of the marketing mix and the Four P’s of marketing – product, price, place and promotion – entered the marketing textbooks at that time (McCarthy, 1960). Over time, this traditional model was deemed to be outdated. Much of the reason for this was that the marketing mix worked in isolation to other parts of the business and to the customers themselves.

Many scholars agree that the marketing department concept “is obsolete and has to be replaced by some other way of organizing the marketing function, so that the
organization will have a chance to become market-oriented” (Grönroos, 1982). Psychologically, the effect on the rest of the organization of a separate marketing department is, “… in the long run, often devastating to the development of a customer orientation or market orientation in a firm” (Grönroos, 1982). As these deficiencies of the marketing mix became more and more evident, the focus moved to integrated network and relationship-based models.

Interaction/Network marketing was first brought forward academically at Uppsala University in Sweden in the 1960’s (Blankenburg & Holm, 1990). The premise of this model focuses on the importance of the direct “interactions” which occur, not only during traditional marketing activities, but during all interfacing with current and potential clients. Advocates of interaction/network marketing view all touch points with the client (i.e. accounting department, customer support, procurement, etc.) as opportunities to market with the client, whether this be implicit or non-implicit. To take things further, these “part-time marketers” (Gummesson, 1987) generally outnumber the dedicated marketing resources and are “in the trenches” with the customers which provides them with greater insight to what is desired.

One of the most noted models in this genre is integrated marketing communications (IMC) where the guiding principles which organizations follow are to communicate with their target markets (Mangold & Faulds, 2009). IMC attempts to coordinate and control the various elements of the promotional mix - advertising, personal selling, public relations, publicity, direct marketing, and sales promotion - to produce a unified customer-focused message and, therefore, achieve various
organizational objectives (Boone & Kurtz, 2007). The elements of the promotional mix for the traditional communications paradigm are coordinated to develop an IMC strategy. “The flow of information outside the boundaries of the paradigm has generally been confined to face-to-face, word-of-mouth communications among individual consumers, which has had minimal impact on the dynamics of the marketplace due to its limited dissemination” (Chevalier & Mayzlin, 2006).

The move to interaction/network models and the rapidly growing services sector produced yet another model. As the product and services provided to customers evolved to be more tailored for each, rather than homogeneous across all, focus on the relationship and understanding of individual customer needs became more crucial. To further complicate matters, the retention of customers was no longer deemed as being sufficient as it did not mean the relationship would be profitable. Thus the new paradigm goal was segmentation based on customer relationship profitability analysis which became a prerequisite for customer retention decisions (Barnes & Cumby, 1993). The model is commonly known as Customer Relationship Management (CRM).

While CRM gained most prominence in the late 1990’s and early 2000’s it suffered in large part due its association with software tools designed to provide this functionality (e.g. Siebel). As interest in CRM swelled, costs associated with the software did as well and the focus became less about the conceptual adaptation of a CRM philosophy within organizations and more about how to integrate tools to support it. Failures in CRM integration projects exceeded successes, and many of those which did succeed have seen limited uptake of the tools functionality. The
results of *CSO Insights’* 2006 Sales Performance Optimization study (as they pertained to leveraging CRM to improve sales effectiveness) indicated that less than 40 percent of the firms implementing these systems have end-user adoption rates above 90 percent (Dickie, 2006).

During this period in the mid-2000’s, technology continued to evolve from a traditional client-server focus (client machine and a locally hosted server) to one which advocated an internet-based model. This also corresponded with the birth and dramatic rise of social media. MySpace, Facebook, and Twitter (to name some of the most popular) started in various forms as means for personal friends to connect and chat using a more interactive model than that of email or other internet chat tools. The massive adoption of social media could not be ignored by corporations as more and more communication of their customers’ experiences (with services and products) was being communicated via social media rather than via in-person or other traditional word-of-mouth methods.

These “Web 2.0” tools now focused even more on a consumer’s ability to “upload” data to others rather than just receive messages pushed out by marketers (Sharma & Prashant, 2009). This consumer-generated media “describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues” (Blackshaw & Nazzaro, 2004). To adapt to this paradigm shift, marketers have again re-defined the marketing model.
The new marketing model does have elements which would remain consistent to IMC. Corporations can use social media to talk to existing or potential customers through blogs (short for web logs – web sites generally edited by individuals with commentaries, opinions, etc.) as well as through groups setup in something like Facebook or MySpace. These media may either be company-sponsored or sponsored by other individuals or organizations (Mangold & Faulds, 2009).

However, the drastic difference occurs with regard to feedback from the consumer. Traditionally, feedback on a product or service to a corporation was generally a one-to-one relationship via through a support line, helpdesk, or face-to-face with a sales or support representative. Even feedback from very dissatisfied customers could be mitigated by withholding the data internally and impacts from these customers would generally be localized and not cause much negative impact. In the new reality, consumers can now communicate directly to other consumers, and not just ones in their immediate circle of influence or physical geography. In his book *The New Influencers*, Gillin emphasizes this change - “Conventional marketing wisdom has long held that a dis-satisfied customer tells ten people. But that is out of date. In the new age of social media, he or she has the tools to tell 10 million” (Gillin, 2007).

As I have tried to show, in a relatively high-level manner, marketing models have evolved dramatically over the last 50 years as have the channels used to relay messages and subsequently receive feedback. Corporations, which have in some cases billions of dollars in marketing budgets and dedicated marketing agencies at their disposal, have struggled to keep up with and optimize campaigns to address
this new reality. This being the case, how would SME’s be able to compete against their larger competitors within a traditional environment let alone such a dynamic one? The following sections will outline the challenges facing SME’s and how they are dealing with them.

**Drivers and Barriers to SME’s Adoption of Internet for Marketing**

While there is a relatively small body of work related to SME-specific online marketing, the majority of articles reviewed for this paper have similar views on the adoption challenges facing SME’s. At a high-level, the most commonly discussed challenges include the lack of financial resources to purchase and implement internet technologies; a lack of knowledge on how and where to invest said resources if available; and, a lack of understanding as to what benefits such an adoption would provide to the organization (Murphy, Celuch, & Callaway, 2007).

It is clear that SME’s do not have the same financial capabilities that are possessed by their larger competitors but does this really represent a barrier? When looking at enterprise-wide marketing or e-CRM tools, costs for implementation, consulting services, and support are certainly hurdles. However, as the software market for these tools have evolved, the associated costs to implement and maintain them have decreased dramatically. What may be the barrier in this case is the preconceived notion that the price is too high to justify any benefits possibly obtained post-implementation.

Generally speaking, the lack of understanding around the technologies involved and the potential benefits seem to be the biggest challenges to adoption for SME’s.
Reinforcing this theory, research in this area highlights the above as the two central determinants of SME internet adoption. When we speak about technology skills we are also talking about the practical application of the software as a marketing tool and not just how to move through the application. Adoption requires technology skills as well as marketing acumen and access to sufficient resources.

In most cases, SME’s are severely limited (medium enterprises) or void of (generally small enterprises) defined marketers and IT staff and their successes are sometimes dependent upon the owner/manager’s own skills in these areas. As such, SME’s have been labelled by some as technological laggards or luddites (Bernadas & Verville, 2005). An additional hindrance is that the marketing function is perceived by SMEs to be “peripheral to their requirements, for sales and promotions only, a perception which has grown from the ability of SMEs to obtain sales without planning their marketing activities” (Stokes, 2000).

As I have outlined above, there are definitive barriers for SME’s to venture into the areas of online marketing. However, there is also much debate on how the above truly impacts SME’s as it relates to what they need from these tools to meet their goals. Much of the confusion may be due to how SME’s vary from their larger counterparts in how they market themselves. As mentioned briefly, adoption of electronic channels and company web sites was seen as a way to somewhat even the playing field for SME’s against larger firms, especially when it came to serving international clients (Etemad, 2004) and for reducing overhead costs by selling through their own direct channels (Shabazz, 2004).
Discussions on the SME’s barriers speak to the associated challenges related to lack of available resources (financial and human), however this evaluation only examines the environment within the context of how larger enterprises adopt and implement the tools. As it turns out, the way SME’s market their products and services can vary significantly and thus so does their way of adopting. The resulting lack of formal and conventional marketing concepts is not, as is misconstrued in many analysis, a lack of marketing. Rather, the focus moves from concentrating on the marketing mix, and stress is placed on the importance of promotional activities and word-of-mouth.

SME’s have also identified one of the unique selling points of their business as the nature of their personal contact with customers and their focus on the four I’s (Information, Identification, Innovation and Interaction) (Stokes, 2000).

The result is a form of marketing which is unique to smaller firms (as compared to those defined as large). This activity is subject to owners/managers “adapting general marketing concepts, practices and theories to suit their own purposes while maintaining a process-focus and concentrating on incremental innovations” Miles & Darroch, 2006). The marketing of an SME is a derivation of the knowledge and experience of the owner/manager and the firms unique traits, such as “… a distinctive managerial style, independence, ownership, having limited resources, and the scale and scope of operations” (Carson & McCartan-Quinn, 1995).

In contrast to the popular thought on this subject, the SME’s lack of formal marketing processes actually works in their favor. Their size enables them to be more adaptable to changing conditions than their larger competitors and this is
further enhanced in the electronic space (Stockdale & Standing, 2004). This flexibility is an important intangible benefit in “…allowing them to quickly reposition themselves and gain competitive advantage vis-à-vis their larger competitors” (Hatch & Zweig, 2001). Another benefit to the non-traditional approach is the increased propensity for SME’s to innovate to solve business problems. Literature has linked the marketing behaviours of SME’s to innovation and as Drucker outlines “there is only one valid definition of business purpose: to create a customer . . . Because it is its purpose to create a customer, any business enterprise has two – and only these two – basic functions: marketing and innovation” (Drucker, 1954).

While barriers to adoption do exist and are significant, the SME’s size allows them to adapt quickly and choose components which complement their existing processes. Their make-up also makes them prime candidates for innovation and allows them to better adapt to changes in the market than their larger competitors.

**Online Branding, Communication, and Retail Channels**

**Branding**

The American Marketing Association defines a brand as a "Name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers" (American Marketing Association, 2012). Branding is a critical issue for SME’s. Brands “…allow actors, such as organizations, to say things about themselves that everyday language cannot convey” (Opoku, Abratt, Bendixen & Pitt, 2007).
As you would expect, brand management is an integral component of marketing strategy. As discussed above, SME’s, from a traditional marketing sense, don’t follow conventional marketing wisdom. Therefore, it is an easy reach to claim that in general SME’s don’t do much in the way of brand management or do so haphazardly. Much of the related research backs this hypothesis and reasons for this tend to be similar to the challenges SME’s face for online marketing including lack of resources and unfamiliarity with the types of and value of technology. Where things diverge between marketing and branding is how the emergence of the internet has impacted the adoption of the former and not the latter.

The graphical and psychological aspects of branding do require levels of expertise that most SME’s do not typically have in-house. The complexity of this is clear within the assessment that “… brands, like individuals, can develop personalities that are indeed similar in their characteristics to human personalities” (Aaker, 1997). These intangible factors surrounding branding have not been made as accessible to SME’s through internet tools due to the intangible nature. While they may be able to reach more customers the inherent message that is being presented still needs to be crafted to convert shoppers into buyers. As such, if they can afford it, they must look to external service providers such as marketing firms or graphic artists. In many cases, the costs are prohibitive and this does not factor costs of legal fees for trademarks, copyrights, etc.

The end result is that brand management receives little or no attention in the “daily run of affairs in SMEs” (Krake, 2005). Instead, the SME focuses their efforts into
what would be classified as public relations (PR) or promotional activities which, as we discussed earlier can take advantage of the owner/manager’s existing network and skills and where they can feel much more confident in its success versus reliance on a brand generating the buzz. While studies conducted on the matter do indicate that SME’s in general are concerned with brand image, in the end “generating turnover is just as important a goal, in the short term a company’s attention is clearly directed towards sales, and to stimulating them as much as possible, simply in order to survive” (Krake, 2005).

Communication

To date, communication has been the most commonly associated use for online tools by both large enterprises and SME’s. In most cases this is a web site and in some cases it is supplemented by a blog or write-ups in industry journals, directories, etc. The intent is to provide product and service information to online visitors which can include retail consumers (B2C) or other businesses such as suppliers (B2B). The effective use of information can assist in creating and developing appropriate product positioning and branding for its product (Madill & Neilson, 2010). As discussed above, in the absence of having dedicated resources to work on brand image this is of most importance to SME’s.

While this medium is very strategic for SME’s as a whole its adoption has not matched expected levels. As echoed throughout this paper, SME’s generally leverage traditional word-of-mouth marketing through their direct channels, whether this be a brick and mortar retail location or a temporary location within a farmer’s market.
While resource limitation is an area which can be looked at and is likely a contributing factor, it would be more accurate to say that the owners/managers have yet to be convinced of the value of the medium delivering the message to their target market. As such, online tools have not replaced nor supplemented the traditional approaches and when used have been applied in a haphazard way which can actually have a negative effect by alienating customers who become underserviced in both mediums. Literature on this area emphasizes three goals to marketing as it is practiced in the modern world, and they are provision of information, facilitating sales (discussed below), and nurturing of relationships (Palmatier, Dant, Grewal & Evans, 2007). Generally speaking, it is apparent that SME’s either do not have the ability to adopt effectively (due to resource constraints) or do not adopt because of lack of confidence in the medium to drive desired results. Determining whether both are interdependent is likely only ascertainable on a case-by-case basis due to the heterogeneous nature of SME’s.

Retail Channels

For those SME’s who have adopted an online presence (usually a website) and have been successful in using it to attract and retain customers, the next logical step is to try and use it as an additional channel for selling their products or services. This is sometimes called “Online direct sales channel” (ODSC) (Li, Troutt, Brandyberry & Wang, 2010). This e-commerce ability to sell direct and eliminate the overhead costs of using existing distribution channels (e.g. wholesalers) is an area of great interest for SME’s. It does not only offer the potential for reduced costs but a
window into their customer’s purchasing habits and the greater efficiencies of target marketing that can be obtained through subsequent CRM adoption.

To adopt such a presence, an organization will strategically need to conduct due diligence as it relates to their own capabilities on production and product mix. From an actual technical implementation standpoint, the web site (generally the location for such an e-commerce “portal”) will be required to incorporate a number of features which likely are limited or do not exist in their current site. These include privacy and security policies, pricing guides, shipping details, payment methods (e.g. credit card, debit, PayPal, COD, etc.) or organization/government guidelines specific to the SME (e.g. food safety) (Madill & Neilson, 2010).

Creating an online retail channel is possibly the most challenging goal faced by SME’s. As discussed, SME’s have found difficulty in branding and communicating their organization online because of a lack of resources (financial and human). Commitment to online methods of communicating even the basic details of their organization, even as a supplement to existing traditional ones, is not a given. With this being the case, the faith required for SME’s to then leave the purchase experience to a faceless transaction is usually something which cannot be easily legitimied.

Given the lack of detailed knowledge that the typical most owner/manager possesses, deciding against a mostly unknown set of tools and methods in favour of the tried and proved is generally the result. Factor in the granular method of their management, and the constrained cash flow and it is no wonder why risk aversion
wins out, even in an environment where innovation is seen as crucial to success (Morris & Lewis, 1995).

**Building customer relationships**

As discussed in the previous section, nurturing relationships with customers is one of the key goals of any business’ online marketing tools. Transitioning a potential consumer into a customer is certainly the first step, making them a repeat customer even better, and having them become a profitable one is certainly the ultimate goal. To this end, knowing your customers’ wants and needs is essential to not only providing what they want today but what they will want in the future. Knowing this in advance means that your business has a head start on adapting (e.g. modifying product mix) to best take advantage of the knowledge.

There are several sources for obtaining customer information including information gathered from sales transactions and other interactions with customers (e.g. Trade Shows). The information obtained may be:

- Of-the-customer;
- For-the-customer; and.
- By-the-customer information (Park and Kim, 2003).

Of-the-customer information (about) comprises personal and transaction data (e.g. sales volumes, profitability, frequency and preference); for-the-customer information is presented to the customers in order for them to make more informed decisions; by-the-customer information (from) includes, e.g. feedback information.
(Park and Kim, 2003). Gathering the data is one thing, gleaning value from it is another. As discussed earlier, Customer Relationship Management (CRM) is a strategy for managing a company’s interactions with customers, clients and sales prospects. It involves using technology to organize, automate, and synchronize business processes—principally sales activities, but also those for marketing, customer service and technical support (Shaw, 1991).

Originally, CRM systems such as those by Seibel (now owned by Oracle) were extremely expensive for even large scale enterprises. Today, web searches for “CRM systems for SME’s” return hundreds of specific product hits and hosted options provide price options for as little as $10 – 25 per month. This evolution has made CRM a legitimate option for SME’s yet adoption still lags behind expectations. The reasons for this again include resource limitations (financial and human) but as above, the technical solutions have matured to where even having little of both can still mean you have the capability to run an e-CRM system. In this case, the end use of the information and the value provided is the deterrent.

Based on the findings discussed previously, SME’s are not void of methodology when it relates to marketing but exercise a hybrid form which suits their needs. However his does mean that focus on day-to-day operations takes precedence and the commitment to strategic long term planning is usually desired but further down the priority list. CRM is a strategy which has seen many more integration failures than successes in mature multi-national organizations for not integrating a holistic approach and expecting it to work in a silo. The smaller size and relatively flat
organizational nature of SME’s can help them avoid this pitfall but not without some commitment to strategic integration.

**The Impact of Social Media**

As discussed earlier, social media is having just as, if not more of, a significant impact to marketing than the internet. Consumers are turning away from the traditional sources of advertising: radio, television, magazines, and newspapers. Consumers are constantly expecting more control over what they consume and they require “on-demand and immediate access to information at their own convenience” (Rashtchy, Kessler, Bieber, Shindler, & Tzeng, 2007). As it relates to purchasing of products and services, consumers are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions (Vollmer & Precourt, 2008).

The new paradigm requires several important changes in management’s attitudes about traditional marketing strategy. First, marketing managers must accept the reality that a vast amount of information regarding their offerings (products or services) is consumer to consumer via social media. Second, with the information, consumers are responding in ways that directly influence their behavior. Why is that? Social media is “…perceived by consumers as a more trustworthy source of information regarding products and services than corporate-sponsored communications transmitted via the traditional elements of the promotion mix” (Foux, 2006).
What does this mean for larger enterprises? The shift to a more social media focused model means that investments in the traditional marketing channels will likely continue to provide less return on investment (ROI) going forward. Focus on TV, radio, print mediums as well as those pushed from their respective web sites will garner less viewing due to increased suspicions as to validity of claims made by corporations. Focus will need to move to integrating into social media such as links to corporate Facebook pages, viewership of Twitter accounts, or retaining firms such as Radian6/Salesforce.com to monitor “buzz” on social media tools to capture and take advantage of trends where they are now first being discussed (this also includes blogs).

For SME’s, the evolution in the paradigm actually brings them closer to how they generally market their offerings already. Word-of-mouth referrals or in-person promotions are the bread and butter for SME’s and their niche markets mean that monitoring the buzz with software tools is manageable. Add to this the user-friendliness and cost-effectiveness of creating Facebook or Twitter accounts and social media brings with it the potential for SME’s to even the playing field with their larger competitors. As the following figure shows, SME’s don’t need to invest substantial amounts in financial and human resources to see the value of being involved in the social media area.

**Conclusion**

The explosion of the internet and subsequently social media has provided SME’s with the ability to compete with their larger competitors and market their products
in an efficient and professional manner at significantly less cost. Those who have taken the opportunity and committed to it as an organization have seen the benefits in brand recognition and subsequent sales growth. However, uptake from the SME community on such an evolutionary advance has been sluggish and of those adopters only a minority have shown a commitment to change.

Traditional challenges of financial and human resource limitations certainly are a factor, as is the limited knowledge of the methodologies and tools among SME owner/managers. That said, what stands out is the degree of risk aversion which exists among this group, likely driven by the lack of knowledge surrounding this paradigm shift and lack of confidence in what adoption will produce in actual benefit to their organization. This is certainly exacerbated by common if not out-dated commentary about how branding, CRM, or e-commerce is only suited for larger enterprises or how it would de-humanize the sales experience and possibly alienate customers. The latter being directly in opposition to how most SME’s conduct their day-to-day business.

The drastic shift of marketing into social media can be a seminal moment for most SME’s as it provides them with the ability to advertise and promote their products in the same medium as larger corporations for mostly similar cost (if any). No longer are advertising costs for web searches (i.e. Google Ad Words) or for sites like Facebook or Twitter the domain of the larger enterprises like TV, newspapers, or magazines had been. SME’s should educate themselves on the realities of this new order and take the plunge before the model changes again.
3. Methodology

Rather than conduct interviews, perform surveys, or conduct any secondary research, the decision was made to study one company over a period of time and track the impact of changes made to its marketing efforts over a set period. Formally, this research style is known as the case method.

The decision to use the case method for this research was by no means based on a unanimous use in other studies. In fact, in many scientific circles, the case method is looked at in a not so flattering a light. No journal of case study methodology exists and most common social science or research methods textbooks "hardly mention case studies" (Yin, 1993). One survey of PhD dissertations concluded that case studies were inappropriate in postgraduate research, going so far to say that a way to “…rectify the "mindless empiricism" of many doctoral dissertations would be to simply eliminate … case study dissertations" (Adams and White, 1994).

However, for twenty years, advocates have come to the defense of the case method. Studies in Australia are in large part credited with the development of a “successful, structured approach to using the case study methodology in postgraduate research...designed for postgraduate research students in marketing and their supervisors” (Parry, 1998). With the added structure, students could have the opportunity to study “contemporary topics... about which little academic research has been published” (Parry, 1998) which would include use of social media in SME’s. This is further validated by Parry when he cites “Other recent examples of these topics are marketing on the Internet, business reengineering and customer service,
home banking, marketing of community museums, and organizational accountability of the marketing communications function” (Parry, 1998).

In May 2011, after numerous meetings to introduce the research effort with the company to be studied, it was decided that the best way to measure the impact of specific changes to their online marketing initiatives would be to monitor traffic on their web site. To do this, a Google Analytics account was established for the web site so that various metrics could be monitored (see details on metrics measured later in this section). At that time, the business’ only other online presence was a personal Facebook account as investment in traditional advertising (e.g. newspaper inserts, radio, Welcome Wagon, etc.) was still their focus.

It was also decided that the period to be monitored would be June 2011 through end of August 2012. Initially, it was thought to measure a one year period but the additional three month period was added for the following reasons: allow for 2-3 months of data to be gathered to get an indication of current levels of website traffic; allow 1-2 months to prepare strategy for online initiatives; and, as the company’s strongest business was commonly done during the summer months (excluding small spikes around Thanksgiving and Christmas) it made sense to allow monitoring to occur through all summer months of 2012 to see if changes in strategy would be seen in this period.

As previously mentioned, Google Analytics was established to monitor web site traffic. More specific to this research, it would be used to monitor traffic in time periods directly proceeding changes to online marketing campaigns. This was later
modified to also include some traditional marketing methods for comparison (discussed in more detail in the results section). The chosen metrics to be monitored on Meadowbrook’s site for comparison purposes were:

1. Visits (Total visits)
2. Unique Visitors (Do not double count same visitors)
3. Pageviews (Total number of Meadowbrook’s web pages viewed)
4. Pages/visit (Average number of pages viewed per total visits)
5. Bounce rate (For our purposes a bounce is calculated as a single-page view)
6. % New Visits (% of visits by new viewers vs. returning visitors)

In addition to site visits, the business was interested in knowing how their site was being viewed outside of their current area, the Annapolis Valley, Nova Scotia (specifically in the HRM area which is explained further in the following section) so demographically that was also monitored at a city level.
4. Case Study

History of the Industry

The period from the late 1970’s to the mid 1980’s was a very prosperous one in the Nova Scotia pork industry. As the period came to a close there were in excess of 200 pork farms in Nova Scotia and they were supplying 65% of the provincial market.

Unfortunately, the market prosperity would not prove to be sustainable and by the second half of the 1980’s prices began to erode at an alarmingly high level (Agriculture and Agri-Food Canada, W042C Red Meat Price Report – Hogs). The immediate impact to the local industry was somewhat tempered however as the provincial government stepped in with supplementary programs to offset costs (e.g. inspections, grains) and prop up some of the ancillary industries (e.g. meat packers). Unfortunately, this was only a temporary measure and only delayed the inevitable and massive decay of the industry in the province.

In 2007, this situation was exacerbated when the Nova Scotia Government decided that they would terminate funding for supporting Nova Scotia pork producers and conversely provided funds for producers to exit the industry (while having them agree not to get back into it). To add insult to injury, on top of the falling commodity and increasing utility prices, the difficulties in the industry drastically impacted the number of operating abattoirs in the region (there is currently only one remaining federally-inspected facility). Not surprisingly, by 2010 the number of Nova Scotia pork farms slipped to 16, down from 80 in 2007 (Keddy, S., 2010).
Introduction to Company

Meadowbrook Meat Market is a family-owned, privately-run, food-based business located in Somerset, within the Annapolis Valley region of Nova Scotia, Canada. At the time of this research it had 16 employees working across their retail store/production facility and farm in the community of Somerset.

Meadowbrook is owned by Jim and Margie Lamb and its origins can be traced to the family farm. Jim had graduated from Nova Scotia Agricultural College in Truro, Nova Scotia and went to work for his father (James Sr.) on his dairy farm in Somerset. A very successful enterprise with substantial marketing support from the Milk Marketing Board and an affiliation with Farmers Dairy, the family business seemed like a logical path for James to follow. However, with no clear succession plan in place and a desire to build his own legacy, Jim decided to strike out on his own. In 1978, with Nova Scotia Provincial Government support, Jim started a pork farm just down the road from his family's dairy farm.

As the 1980’s came to a close, Jim could see that the Nova Scotia commodity-based pork industry was not sustainable and as such he needed to look at ways to be more diversified. Ideas ranged from a product extension to other home-based industries as ways to generate additional cash flow. In the end, a chance opportunity to purchase a cutting room from a business which was closing its doors provided the answer. So, in late 1989, the first Meadowbrook Farm ‘Meat Shop’ was established and it began selling meat on Saturday mornings, direct to consumers. Meadowbrook
was no longer just a farm; it was now in the retail business. It would turn out that Meadowbrook’s fateful decision would allow it to adapt and survive.

Unfortunately, for many of their competitors (mostly pork farmers like themselves) the situation would continue to be bleak. Throughout the 1990’s and into the mid-late 2000’s hog prices continued to plummet and with the costs of doing business (particularly gasoline) rising substantially, pork farms failed at an alarming rate.

Around 2006, having fully invested itself in the ‘new reality’ of the pork industry, and migration from solely a farm to a retail/wholesale business, Meadowbrook began to look at product differentiation via investments to ensure quality as well as product extensions. Now equipped with the flexibility that control of their supply chain (except abattoir service) provided, Meadowbrook reduced its sow population from 500 to 150. This reduced costs and ensured that their animal growth process could be followed to allow for the quality of product to be maintained. Further to that end, the practice of occasionally bringing in external hogs was discontinued.

On top of the quality, differentiation took many other forms. Multiple flavor varieties of sausage, bacon, and other products were developed. Reduction of preservatives became a mission and out of that gluten-free products were created. However, the most substantial move was still to be made. Working with Grand Valley Fortifiers (http://www.grandvalley.com), Meadowbrook began to develop a flax-based feed and began supplying this to its own hogs. The process (which takes place over a five to six month period) allowed the meat produced to be classified as Omega 3 and 6.
They achieved certified Omega status in 2009 and could now lay claim to a premium product offering with differentiation over commodity pork.

**Current State**

So, despite many hurdles, Meadowbrook entered 2011 in a very good position, relative to their competition. However, this did not mean that all things were positive. Meadowbrook was very well known in its “own backyard” of the Annapolis Valley. This familiarity was developed through their local roots, very good word-of-mouth (WOM) referrals, and local marketing. The result was good traffic and revenue in its retail operation, albeit from a limited population base (based on the 2011 Census of Population, Annapolis Valley has a population of 123,650). Its wholesale accounts were very limited due to the limited market of large accounts in the region but Meadowbrook’s other business divisions (seed sales, custom plowing services, and catering) helped pick up the slack.

Despite their business diversification, the global economic downturn impacted the region in a major way by contributing to a number of substantial business closures in relatively high-paying jobs in the Annapolis Valley. These included but were not limited to:

- *ACA Co-operative Ltd.*, Kentville, February 2009 - 300 job losses;
- *Larsen Packers Ltd.*, Berwick, April 2011 -300 job losses;
- *Bowater Mersey*, Brooklyn, June 2012 - 300 job losses;
- *Fundy Gypsum*, Windsor, February 2011 – 45 job losses; and,

In February 2012, Statistics Canada announced that the Annapolis Valley was down 2,700 jobs in the past two years and almost 4,000 people had left the labour force all together. Most of those lost jobs, 2,500, were full-time jobs (and this did not include two of these major closures listed above) (Human Resources and Skills Development Canada, 2012).

Meadowbrook was losing many current and potential consumers at a drastic rate from an already small marketplace and had to look for new markets for its products in a short period of time. The logical choice to target was only an hour away: the Halifax Regional Municipality (HRM) which included (amongst some smaller communities) the former towns of Bedford, and Sackville and the former cities of Dartmouth and Halifax.

According to the 2011 Census, HRM’s population was 390,096 which ranked 14th in size for Canadian municipalities (Statistics Canada, 2011). In addition to the size of the population, the average yearly household income for HRM residents was much higher at $78,184 (according to the 2006 census) compared to that in the Annapolis Valley at $58,994.

While Meadowbrook had very good WOM referrals and some loyal customers who would travel to the Meat Market, it did not actively advertise in HRM, did not have a storefront location in HRM, nor did it have a regular distribution/delivery service to HRM. Wholesale distribution was limited to one-off orders to some hotels and restaurants and the catering business, the conduit for many referrals, was still not
generating sufficient revenue to warrant further investment. In the spring of 2011, it was decided that the Meadowbrook web site (meadowbrookmeatmarket.com) and social media (Facebook and Twitter) would be the path to gaining more customers, rather than establishing a brick and mortar location in HRM (although distribution through select retailers would be sought).

As discussed within the literature review, SME's are generally not blessed with the monetary or intellectual capital to conduct complex traditional or online marketing initiatives. Meadowbrook was no different and as such was slow to truly commit to online marketing as a strategic piece of their strategy.

Meadowbrook’s current marketing initiatives could easily span the breadth of the traditional marketing genre. There were ads and inserts in the local newspapers and in community magazines and with the Welcome Wagon. With their type of business, they also spent quite a bit of time attending regional hospitality expos as well as attending festivals and events to conduct ‘tastings’ which would be giving away of samples.

From a technology perspective, their use was minimal and largely ineffective. Sure, they had the static web page, and the content was very charming and informative. Unfortunately, it was hard-coded in HTML so not easy to modify, it had no social media integration and no way to update content that did not involve a software developer getting engaged. It also barely showed up on any web searches for very applicable phrases or words normally associated with their business.
They had a point-of-sale system (POS) but it did not break out particular products beyond product types (e.g. sausage but not sausage flavor or if smoked or fresh).

They had frequent buyers cards but no info other than customer names and certainly not the ability to track their choices. While it was the intent of this research to solely monitor the impact of web or social media campaigns, Meadowbrook’s slow adoption has meant that a hybrid examination of online and traditional methods were required in the early stages of the process.

Meadowbrook’s marketing campaigns traditionally centered on major sales with would occur throughout the year. While there were weekly updates to sales and specials there were no specific initiatives or specific marketing tied to them so these ‘major sales’ were examined. In addition, as Meadowbrook evolved its Facebook page to be a business-focused one and adopted a Twitter account, the specific launch periods were also examined. Finally, a project conducted by another group of St. Mary’s University MBA students relating to Google Ad Words was applied to the Meadowbrook site in the spring of 2012 and the impacts (or lack of) were also examined.
Specific Online and Traditional Marketing Initiatives

2011

Summer Period

As discussed previously, it was decided, as the Meadowbrook site had little to no previous metrics, that the summer period (June 1st to August 31st, 2011) would be examined without any web or social media enhancements. This would provide a baseline and also allow the development of upgrades to the web site and enhancement and integration of social media (Facebook and Twitter respectively). As it was also a traditionally busy period for Meadowbrook’s retail, wholesale, catering divisions it was deemed to be less impactful on the day-to-day operations.

Summary details for the 2011 summer period were as follows:

- Total visits for the three months were 3,283
- Of those total visits, 2,215 (67.47%) were unique
- Total Pageviews equalled 15,639 (a 4.76 page/visit average)
- Bounce rate (single-page viewing) was 34.69%
- New Visits were at 65.67%
- Demographically:
  - 37.87% of all visits originated from Halifax (32.46% of new visits)
  - 7.5% (6.81% new) originated from Dartmouth
As a producer of free-range turkeys as well as pork, and with strong farm roots, Thanksgiving is traditionally a very busy time for Meadowbrook. In 2011, it also marked the first time it would be using their website to actively market itself in relation to traditional media.

In this regard, changes were made to the website based on an internal assessment conducted by Margie and Emma Lamb which included surveys of current customers. Most changes were to correct syntax and formatting flaws (e.g. text color was hard on eyes and difficult to read) and some additions were implemented to provide better description of the business and help customers find the retail location (Google map widget). At this stage, the existing Facebook page was left as is and Twitter was not yet initiated but radio ads were run in the local area. The latter highlighted what would be an ongoing theme, supported by the literature on the area, which was a reluctance to rely on the website as the primary marketing tool.

The traffic numbers for October, not surprisingly, did not show a substantial change. Total visits for the month were up slightly to 969 which compared favorably to 890 in September and 867 in August. That said, Total Pageviews and average, 5,871 and 4.39 respectively and Bounce rate 34.13% were higher than in August but less than September. The 40.33% of website hits from Halifax and Dartmouth fell into the same boat. As there were no online initiatives or social media tie-ins, even the slight bump in total traffic could not realistically be tied to the site changes.
**Anniversary Sale (November)**

Following quickly upon the heels of the Thanksgiving sale, November is the time period for the annual ‘Anniversary Sale’, commemorating Meadowbrook’s origins as a Meat Shop in 1989. Minor changes to the site continued but were slowed by issues with the web and hosting firm for Meadowbrook’s site. Reliance continued to be on the radio and newspaper ads but some Facebook posts were utilized in advance of the formalized Facebook business page.

For November, hits from the Halifax/Dartmouth area regressed to 37.68%. Total traffic dropped to 720. Average Pageviews, bounce rate, and new visitors stayed similar to October but the drop in absolute and demographic numbers was troubling. In discussing the metrics with Meadowbrook at that time, they indicated that sales are normally flat in early November and pick up in the last week or two as Christmas shopping period begins. It was decided that the new Facebook business site should be moved to launch in early-December 2011 rather than in January 2012 to take advantage of exposure which could be drawn from cross-marketing with walk-in traffic and radio advertising.

**Facebook Re-launch/Christmas Sale (December)**

In early December 2011, with retail traffic at its normally seasonal high-levels, and radio ads broadcasting to the local area, Meadowbrook launched its business Facebook page. It was hoped that the busy retail period would swell word-of-mouth interest about the new account and drive more traffic to the web site.
The initial results were positive. 1,154 total hits were made to the site which was a 38% increase over November’s total and the most monthly hits in the 6 months of monitoring. Demographically, Halifax/Dartmouth-based hits reached 42.9% which was also the highest monthly total. Of total hits, 69% (791) were unique and 57.8% (667) were new. At a glance, it appeared that the Facebook page was a success. However, a deeper examination of the data cast some doubt on this analysis.

While total page visits increased dramatically over November’s totals only 35 hits to the site could be traced back to a direct referral from Facebook. This only represented 3% of all visits and this could not be totally confirmed to be from Meadowbrook’s page. It is possible that people viewed the Facebook page and opened it in another browser session or tab. It is also possible that the Facebook-directed traffic contributed to the increase in the total traffic (totally net new visits). Unfortunately, these assumptions could not be confirmed via Google Analytics and suggestions to Meadowbrook to conduct a survey of web and Facebook viewings to retail customers in January 2012 were not accepted due to workload.

2012
‘Sow-per Bowl’ Special (January)

Traditionally, the January to April (or late March, depending upon where Easter falls on a given year) period is a slow sales period for Meadowbrook. As it was expanding its product offerings to include pre-packaged goods for lunches and appetizers (e.g. chili, chicken wings, ribs, etc.) it was decided that targeting National Football League (NFL) fans for the playoff run would be a great time to try and fill a sales void. In-
store advertising, and for the first time, a reliance on Facebook to push the marketing was used. The campaign, which asked customers to choose a fictional team (e.g. Green Bay Porkers) to win a fictional championship game (Sow-per Bowl) with a chance to win a catered event. For Meadowbrook, this was a substantial departure from its normal procedure but recognition that the paradigm had shifted and if they wanted to get more customers from outside the Annapolis Valley it would need to make a change. Positively speaking, traffic from HRM was stable at 40.8% of visits.

Unfortunately, any momentum gained from increased traffic levels and the Facebook launch which were seen in December, were not carried over into January. Total visits for the month returned to early autumn levels (968). More importantly, even after focusing marketing efforts through Facebook, only 14 referrals were made from there (1.45 % of visits) while those from the web site of the radio station from which they purchased advertising air time made up 2.1% of visits. The results certainly impacted Meadowbrook’s confidence in the process and as they did not have the resources to continue with an ‘ineffective method’ for an extended period. It was again time to re-visit the issues facing Meadowbrook’s web site.

An evaluation of Meadowbrook’s performance in Google searches using very applicable search stings (e.g. Nova Scotia Pork, Omega Pork, NS Pork BBQ, etc.) was found to be very poor. In a sample of ten phrases, Meadowbrook consistently was found to be three, four, or five pages deep on Google searches. Content on the site would normally have been thought to be sufficient to trigger hits so it was deemed
that the issue had to be technology-based. On-going issues with the web hosting/developer were certainly contributing factors. Older HTML-based code limited integration with social media and prevented Meadowbrook from updating their own content. As non-technical, and without the resources to undertake a re-design, Meadowbrook was left to make do with the limitations and provide fixes where they could. Unfortunately, as this was the low season for sales the ability to engage external resources to assist was minimized.

**SMU MBA Google Ad Word Project (May-June)**

Over the next three month period, emphasis on the online marking channels took a back seat to other operational priorities. One of which was a focus on developing somewhat of a store-within-a-store concept in Dartmouth at the Alderney Landing complex as well as distribution to other retailers in the HRM area. Planning for a new site still ranked high on the ‘wish list’ but it took a back seat to day-to-day traditional operational priorities.

Ironically, even during this period of inactivity, traffic to the site was significantly up from summer and fall numbers. The average monthly visits for the period were 1081, which were on average about 100 visits more than seen in these previous periods and approximately only 70 shy of the number recorded during the Christmas season. Traffic from HRM, 44.7% of total, was consistently at its highest levels since measurement began. Facebook had very little to do with direct traffic, accounting for only 0.1 % of it. It was apparent, as was recognized through direct
and search engine results, that Meadowbrook had gained awareness through their physical presence.

The surge in traffic, which could be classified as an organic one, was obviously a positive short-term result. Unfortunately, the results relayed the false message that no further work was required to the web site (at least in the near term). Plans to engage another web design firm were shelved as was the urgency to start having a Twitter presence. Despite warnings to the contrary, Meadowbrook began to investigate options to revert to its traditional advertising methods. Ironically, a negative result would provide the impetus to push ahead with the online initiative.

One would have expected that Meadowbrook’s revenue would have grown in relation to this recent surge. However, according to Meadowbrook financial reports, revenue and profitability remained flat (actual financial numbers were not available due to Meadowbrook’s request not to release). Justification for the profitability numbers could be accounted for by increased costs in establishing the physical presence in Dartmouth but revenue numbers were expected to be much higher based on traffic.

Were customers now just shopping locally, rather than venturing to Somerset? Was the increase in buzz only drawing the same customers but to different locations? As there continued to be no mechanism to track where customers were gaining their knowledge of the business or which of them was purchasing via what channel the answers would continue to be elusive. All that could be shown was that traffic was
up, but it was not translating to sales, and subsequently nowhere near the requirement to make the current investments profitable.

It was at this point that Meadowbrook was offered the opportunity to work with another group of MBA students at St. Mary’s University and at the same time potentially enhance their web presence. The students, working on an eMarketing course, were charged with finding a business to work with them to test effectiveness of Google AdWords (Google’s online advertising feature). As there was no charge to Meadowbrook, and a high value of consulting input, it was looked upon favorably. The campaign was to be active from May 17 to June 4, 2012.

Emphasis for the Google AdWords campaigns focused on “Brand Awareness, BBQ and Local and Healthy Food”. They also emphasized Meadowbrook’s “differentiating qualities, positioning their product as award winning local, all natural, gluten-free pork. The primary goal was to stimulate awareness within Nova Scotia’s largest population centre – Halifax – and drive foot traffic to retail and market locations that sold Meadowbrook meat in the Halifax area”. The 18-day period of campaigns resulted in 206 additional hits to the Meadowbrook site.

Results from the analysis and subsequent recommendations showed some similar themes:

- Meadowbrook must invest in its website to provide frequently updated content and opportunities for conversions through sales or a newsletter
- Possibilities for additional content include product features and photos, recipes and an inventory of products available in Halifax area retail locations
• Options also exist to better integrate social media features such as Twitter and Facebook

• If Meadowbrook wishes to grow revenues through its web presence, Google AdWords must be combined with an online ordering system to facilitate conversions (Gillis, Lancaster, McDonah & Meister, 2012)

As per previous analyses, the need to provide more dynamic content and social networking tie-ins were highlighted. It was also interesting to note that online ordering would be deemed more as an essential next step than an optional ‘future state’ one. Meadowbrook was armed again with data and recommendations on how to proactively engage more customers.

Traffic results for May and June continued to be positive at 972 and 1,135 respectively though slightly less than what would have been expected with the AdWords campaigns. HRM traffic did hit its highest number at 49.62% in May and interestingly enough had in its top five traffic from Bedford (2.87%) which was normally an insignificant number. HRM traffic for June went back to 36.11% which is likely correlated to the end of the directed advertising. Not surprisingly, likely due to the use of these AdWords re-directs, bounce rate was much higher for both months at 41.61% and 40.53% respectively.

Unfortunately, despite the findings and the bump in total and HRM-focused traffic the revenue to engage additional resources was not there. Re-allocation of existing internal resources and part-time assistance were chosen paths of addressing the needs but were then superseded by the usual operational priorities.
Twitter Launch/Tall Ships (July)

After six months of having a business-focused Facebook page, Meadowbrook recognized that its lack of focus on the medium as a marketing tool was a significant contributor in its lack of effectiveness. With some additional resources available due to end of school year, it was decided additional resources could be freed to allow for a resource to be allocated to social media. Having been asked to participate in ‘Taste of Nova Scotia Food Fare by the Sea’ as part of the Nova Scotia Tall Ships Festival (July 19-23) in HRM it seemed like an opportune time to launch their Twitter presence and re-focus on Facebook.

Launching on Canada Day, for the next two months, Meadowbrook’s Twitter and Facebook were updated daily and leveraged the upcoming and post-Tall Ships experiences to spread new product news and recipes. In response, the site averaged 1465 hits, substantially higher than in previous periods. Buzz about Meadowbrook was at an all-time high and traffic to the site was representative. Revenues were improved year-over-year, but the lack of a detailed customer relationship database and a refined POS system could not tell where this revenue originated and what products were most profitable.

Digging deeper into the numbers, it is puzzling to understand the increased traffic. Hits from HRM during this period were at only 38.5%, around median levels. Only 1.2% of hits were directed from Facebook or Twitter (29 and 6 hits respectively). Bounce rate continued to be high at 40.5%. One area which could explain the increase is the use of mobile devices (smartphones, tablets, mobile gaming devices,
etc.). Hits to Meadowbrook’s site from mobile devices in the July-August period were 16% of total. From January through end of June 2012 the average was only 11%.

**Summer Period**

The conclusion of the summer 2012 period not only marked an end to the 15-month data gathering period for the project. It also provided a three-month year-over-year comparison of the combined effects of the traditional and non-traditional marketing on Meadowbrook’s web site viewership.

From a summary traffic perspective, the 2012 summer period saw 4,133 visits to the site. This was an increase of 20.5% over the summer period in 2011 (3,282). There were also more unique visits as they totalled 3,022, an increase of 27.7% and new visit percentage increased 2.37% to 68.04%. Considering the relatively small changes which were made to the site and in the social media domains this was a positive result.

That said, not all the findings were optimistic. Bounce rate increased by 5.81% to 40.5%. Visitors also did not venture as far into the web site as they had in the past. Page views decreased by 0.64 pages per visit to 4.14 however this could have been due to some of the web site editing mentioned above which may have allowed users to access information with fewer page views. The area of most concern related to demographics. During the summer period of 2011, total visits from Halifax and Dartmouth resulted in 38.1% of all traffic. Despite recognition from Meadowbrook
that the HRM was an area where it needed to make significant in-roads, a year later the traffic from Halifax and Dartmouth was only up 1.3% to 39.4%.

**Summary**

So what does all of this data tell us about the impact of these initiatives on Meadowbrook as a whole? Unfortunately, not as much as we would hope it would or at least not as clearly.

Unlike within a controlled experiment, where there are ways to control and track which factors impact the subject, a case study must deal with many extraneous factors whose impact is very difficult to measure. In this case, such things could include: the impact of Meadowbrook’s store-within-a-store on brand awareness; the impact of grass roots word-of-mouth through customers who visited the above location or the Somerset store; the impact of no direct link from Meadowbrook’s page to Facebook or Twitter; or, the impact of any online advertising on increased or decreased foot traffic at brick-and-mortar locations.

In all (but not limited to) these cases the mechanisms to measure the impacts do not exist. There was no CRM system in place to track repeat buyers or shoppers who may have purchased traditionally from the Somerset store but now buy in Dartmouth. There is no current way to track if people who view the website are driven to purchase (no customer surveys are conducted). Finally, there is very little in the way of measurement of what percentage of those who view the Facebook or Twitter feed would then go and check out the web site, or then purchase, etc. It is obvious that there are impacts but the severity cannot be measured. So, recognizing
that there are many unmeasured factors at play which likely impacted the results, let's examine the impacts.

From a traffic perspective, visits to the site were generally up. This included total, unique, and new visits. Unfortunately, excluding sporadic peaks throughout the year, all other major metrics trended downward. Bounce rate increased which could mean the search engine results for the site were not in alignment or the design/layout of the site were not conducive to drawing users further into it. Not surprisingly, based on bounce rate explanation, page views also decreased.

Demographically, other than during peak periods discussed above, only marginal gains were made in the HRM market. As discussed, considering this was a point of emphasis, the results were poor.

For Meadowbrook, sales revenue for the period was flat (< 5% growth). Profitability was actually lower as well but this was more likely due to investments in numerous new products, product extensions, production facilities, and the store-within-a-store in Dartmouth. Without any detailed POS (point-of-sale) or CRM, sales data was limited to total amounts sold. No data on products, flavors, or customers drastically limited the value of the web site traffic data.
6. Discussion and Conclusions

Discussion

As expected, the limited improvements in web traffic over the 14-month period were not welcoming news to Meadowbrook. That said they did not come as shock either. While some effort was made to update the website content, and route social media traffic to it, there was no consistency in the effort nor was there ever an overriding strategy dictating the steps to be taken or definitive goals or objectives.

Ironically, during the period in question, Meadowbrook made many operational improvements to its production processes and introduced many exciting product extensions and net new products. Unfortunately, due to the above deficiencies in their marketing strategy it was unable to effectively market these products outside the local areas adjacent to their Valley-based production facilities.

Even when looking at initiatives within their brick-and-mortar location, Meadowbrook was hampered by the lack of a modern point-of-sale (POS) system which could track which products were selling more or less than others. In addition, even with somewhat of an existing frequent purchasing program, Meadowbrook was not collecting customer data and certainly unable to track customer purchasing habits. An attempt at an eNewsletter was shelved primarily due to the lack of a customer database.

Social media initiatives, like those with the website were characterized by good intent, a desire to evolve, but in the end the lack of investment in time or money.
Much of this could be routed in the general unfamiliarity with technology and inability to derive the potential value from the investment. Resources allocated to providing updates were drawn away due to operational responsibilities and the outdated technology was a hindrance in syncing the social media outlets and the website.

A positive result from all of this has been that since completing this research and sharing the results with them, Meadowbrook has undertaken drastic measures to try and rectify the deficiencies in its marketing approach as a whole. From a traditional perspective, they have discontinued direct mailing, use of Welcome Wagon, and eliminated extension of radio ads to the Annapolis Valley region. They have also established a more formalized ‘store within a store’ model within HRM and committed to spend any marketing dollars on traditional marketing to the HRM region.

From an online perspective, they have hired a part-time resource that is familiar with social media (especially within the food industry) to daily update their Twitter and Facebook accounts with relevant information on products and events. More importantly, they have recently initiated a Request For Proposal (RFP) from qualified web development and hosting sources to re-design their website. This re-design will include, but not be limited to providing search engine optimization (SEO), integration of a content management system (CMS) to allow employees to update information, provide an area for a blog, and allow the scalability for future enhancements (most notably online shopping).
Conclusion

After 15 months of assessment, a case can clearly be made that Meadowbrook can be classified (using the literature review as a baseline) as a ‘stereotypical SME’. As per work by Gilmore, Carson, and Grant, Meadowbrook’s marketing approach could be easily classified as “haphazard, informal, loose, unstructured, spontaneous, and reactive”. As per work by Stokes, Meadowbrook could be seen as using marketing “…for the needs of the moment and only little attention is paid to plans, strategies and analysis”.

Beyond the fundamental limitations in knowledge of marketing principles and strategy, Meadowbrook is in alignment with existing stereotypes relating to ignorance of true costs of marketing online via the web or social media. Without dedicated marketing resources, they have relied on part-time, sometimes untrained personnel who, despite great efforts, have been misdirected. They’re also, as non-technical people by nature, hesitant to make expenditures on the technology front deferring to more familiar, traditional ways of marketing. Add to the mix, Meadowbrook’s routes as a farm and philosophy of effort overcoming any issue and it is easy to see how it aligns with the literature on SME’s and their challenges with marketing in general, let alone online or in social media.
Research Limitations

As discussed frequently throughout this report, there were multiple assessments, analyses, and recommendations made to Meadowbrook throughout the 15-month period. While all were received positively, and the majority acknowledged as needed, lack of resources (personnel and monetary) were frequently given as reasons why changes were not adopted. Those which were made, relatively speaking, were minor in nature and did not address fundamental needs (e.g., changing web site developer and hosting, establishing customer list, modifying point-of-sale system to more accurately track purchases).

Even with detailed reporting on website traffic through Google Analytics (monthly reports included in Appendix A), the lack of substantial change has meant that definitive answers about any impacts of these changes could not be made without also making further assumptions on factors which could not be verified. An example would be the lack of increase in revenue, despite increased web traffic, through the period of spring 2012. It could likely have been caused by HRM shoppers who had previously purchased goods in Somerset but are now shopping in the closer Alderney Landing location but there is no mechanism currently in place to track customer purchases by location (or by product).

Finally, despite frequent reminders, there were numerous situations where promotions and sales were initiated by Meadowbrook without providing notification to the researcher. While most of the information was gathered post-
event, there were likely events which did not get registered in the study. As discussed, the reactive nature of Meadowbrook’s daily business was not conducive to effective data gathering and expecting them to always provide it proactively was unrealistic in all cases.

**Managerial Implications**

As discussed in the introduction section of this document, one of the goals of this research was to provide insight to other SME managers/owners on the pitfalls of trying to adopt an online marketing strategy and to provide potential solutions for dealing with them. Through the literature review and the case study many of these have been highlighted.

For SME’s, especially those on the smaller end of size scale, the use of personal or word-of-mouth referrals is extensive. Online marketing using social media has adopted a similar model. Whether using Facebook or Twitter, individuals express their satisfaction or dissatisfaction with products and services just as they do with friends and family.

However, unlike traditional referrals, when using social media, good or bad reviews can reach hundreds or thousands of viewers in minutes. Larger corporations have had a history of being able to muzzle complaints within their internal customer service systems but their ability to mitigate this now has disappeared (on a side note, larger corporations have now engaged firms like Radian6 to monitor social media to take a proactive approach to catching potential poor reviews and experiences before they sour general opinion). SME’s should leverage their skills in
this area and use social media to reach larger audiences at much less cost than traditional marketing.

As was highlighted in the literature review, one of the biggest hurdles for SME’s in using online marketing (either web site-based or using social media) or in using customer relationship management (CRM) is the preconceived notion that it is a solution too costly for them to implement. This misconception was almost universally cited as one of the biggest hurdles stopping SME’s from deploying a solution. While resource constraints do exist for SME’s in both monetary and human capital, it has been shown that low cost solutions exist for web site development, social media, and even CRM which a decade ago was seen as only available to the Fortune 500. SME managers/owners should know to take with a grain of salt those who quickly dismiss ideas of going online.

Finally, development of even a rudimentary strategy/plan for achieving the SME’s objectives is crucial for success. As seen in the case study, without a defined strategy or defined objectives, Meadowbrook had no basis to measure the success or failure of their initiative. As well, when focus was lost, there was no plan that could be looked upon to enable them to get back on track. While methodology and technology are crucial elements, having a plan and keeping in alignment with it is even more crucial.
**Future Research**

To date, Meadowbrook has yet to re-design their site; however they have finally crafted a set of requirements outlining what they need relating to such things as: ability to update their own content; seamless integration with their social media; interaction with customers through newsletters and FAQ; ability to upload more descriptive photos (and possible videos via YouTube); and, a recipe repository. With the already established Google Analytics, when the new site is ready to be rolled out, it can be more closely monitored to view impact of changes.

For a business which is very much tied to its customers, Meadowbrook knows very little about them. Historically, they would be dealing with their friends, neighbors and fellow businesspeople and know each personally. As the market spread to larger areas of the Annapolis Valley and then HRM and beyond, this familiarity faded. Establishing a CRM-based system (perhaps tied to a customer loyalty program) would not only allow Meadowbrook to know more about the demographics and buying habits of their customers, it would also allow them to target market certain products or specials with a traditionally higher degree of success than mass marketing.

Finally, Meadowbrook needs to commit to not only a social media platform but using it on a regular basis to enhance its web site. This will also help Meadowbrook grow its viewing base to capture more mobile users. It would be recommended to focus on Twitter as it can be quickly used to provide updates for on-location events as well as sales and its administration will not consume as much time as Facebook. If
resources are allotted to provide dedicated Facebook upkeep then also keeping it going would be valuable, but only if it can be kept current.
References


Appendix 1 - Google Analytics Reports for Meadowbrook Web Site

Research Dashboard
Jun 1, 2011 - Aug 31, 2011

Visits
3,283
% of Total 100.00% (3,283)

Visits by City
- 32.46% Halifax
  700 New Visits
- 11.78% Kentville
  251 New Visits
- 6.81% Dartmouth
  147 New Visits
- 4.35% Windsor
  94 New Visits
- 3.89% Montreal
  15 New Visits
- 40.71% Other
  1,177 New Visits

Bounce Rate
34.69%
Site Avg: 34.69% (8.00%)

Pages / Visit
4.76
Site Avg: 4.76 (0.09%)

Pageviews
15,639
% of Total 100.00% (15,639)

Unique Visitors
2,215
% of Total 100.00% (2,215)

% New Visits
65.67%
Site Avg: 65.67% (8.00%)
Research Dashboard

Visits

4,133
% of Total 100.00% (4,133)

Visits by City

- 25.55% Halifax
  710 New Visits
- 11.94% Kentville
  330 New Visits
- 8.17% Dartmouth
  250 New Visits
- 3.94% Manila
  111 New Visits
- 3.37% Toronto
  66 New Visits
- 47.03% Other
  1,323 New Visits

Bounce Rate

40.50%
Site Avg. 40.50% (8.00%)

Pages / Visit

4.14
Site Avg. 4.14 (0.09%)

Pageviews

17,099
% of Total 100.00% (17,099)

Unique Visitors

3,022
% of Total 100.00% (2,822)

% New Visits

68.04%
Site Avg. 68.04% (6.00%)

Jun 1, 2012 - Aug 31, 2012
Research Dashboard

Visits

1,207
% of Total: 100.00% (1,207)

Visits by City

- 29.89% Halifax
  230 New Visitors
- 14.50% Kentville
  114 New Visitors
- 11.19% Dartmouth
  106 New Visitors
- 5.47% Ottawa
  43 New Visitors
- 2.67% Toronto
  21 New Visitors
- 36.28% Other
  265 New Visitors

Bounce Rate

30.41%
Site Avg: 30.81% (0.00%)

Pages / Visit

4.90
Site Avg: 4.90 (0.00%)

Pageviews

5,917
% of Total: 100.00% (5,917)

Unique Visitors

890
% of Total: 100.00% (890)

% New Visits

65.04%
Site Avg: 65.04% (0.00%)
Visits
1,336
% of Total 100.00% (1,336)

Visits by City
- 30.07% Halifax
  250 New Visits
- 15.39% Kentville
  129 New Visits
- 10.26% Dartmouth
  86 New Visits
- 4.05% Windsor
  34 New Visits
- 2.62% Wolfville
  22 New Visits
- 37.61% Other
  315 New Visits

Bounce Rate
34.13%
Site Avg 34.13% (0.00%)

Pages / Visit
4.39
Site Avg 4.39 (0.00%)

Pageviews
5,871
% of Total 100.00% (5,871)

Unique Visitors
969
% of Total 100.00% (969)

% New Visits
62.72%
Site Avg 62.72% (0.00%)
Research Dashboard  

Visits  
994  
% of Total: 100.00% (994)

Visits by City
- 27.93% Halifax  
- 12.89% Kentville  
- 9.75% Dartmouth  
- 3.63% Windsor  
- 1.98% Bridgewater  
- 43.82% Other

Bounce Rate
33.80%  
Site Avg: 33.80% (0.00%)

Pages / Visit
4.62  
Site Avg: 4.62 (0.09%)

Pageviews
4,595  
% of Total: 100.00% (4,595)

Unique Visitors
720  
% of Total: 100.00% (720)

% New Visits
60.87%  
Site Avg: 60.87% (5.00%)
Research Dashboard

Visits

1,154
% of Total 100.00% (1,154)

Visits by City

- 29.98% Halifax
  201 New Visits
- 14.84% Kentville
  59 New Visits
- 10.04% Dartmouth
  57 New Visits
- 3.85% Windsor
  20 New Visits
- 3.44% Wolfville
  23 New Visits
- 37.81% Other
  252 New Visits

Bounce Rate

35.88%
Site Avg 35.88% (0.00%)

Pages / Visit

4.17
Site Avg 4.17 (0.09)%

Pageviews

4,817
% of Total 100.00% (4,817)

Unique Visitors

791
% of Total 100.00% (791)

% New Visits

57.80%
Site Avg 57.80% (0.00%)
Research Dashboard

Feb 1, 2012 - May 31, 2012

Visits
4,620
% of Total: 100.0% (4,038)

Visits by City
- 32.50% Halifax
  603 New Visits
- 12.14% Kentville
  500 New Visits
- 9.28% Dartmouth
  275 New Visits
- 3.67% Montreal
  61 New Visits
- 2.96% Windsor
  60 New Visits
- 40.02% Other
  1,108 New Visits

Bounce Rate
38.83%
Site Avg: 38.83% (5.08%)

Pages / Visit
4.37
Site Avg: 4.37 (0.84%)

Pageviews
20,211
% of Total: 100.0% (20,211)

Unique Visitors
3,167
% of Total: 100.0% (3,167)

% New Visits
64.09%
Site Avg: 64.09% (3.03%)
Visits
2,168
% of Total: 100.00% (2,168)

Visits by City
- 24.89% Halifax
  560 New Visits
- 11.77% Kentville
  174 New Visits
- 7.64% Dartmouth
  110 New Visits
- 4.12% Moncton
  61 New Visits
- 3.58% Montreal
  43 New Visits
- 48.80% Other
  1,080 New Visits

Bounce Rate
41.88%
Site Avg: 41.88% (8.00%)

Pages / Visit
3.99
Site Avg: 3.99 (0.00%)

Pageviews
8,647
% of Total: 100.00% (8,647)

Unique Visitors
1,624
% of Total: 100.00% (1,624)

% New Visits
68.13%
Site Avg: 68.13% (8.00%)