

Full Length Research Paper

Analysis of guerrilla and traditional marketing integration in improving the productivity of organizational marketing in enterprises in Iran: A case study of Kaveh Industrial Estate in Iran

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This research aims at exploring and analyzing the integration of guerrilla and traditional marketing in enterprises in Iran with a case study of Kaveh industrial estate in Iran. For doing this research after exploration of models, approaches and techniques in guerrilla marketing point to Kaveh industrial estate which is a huge estate in Iran. The conceptual model based on primary and sub hypotheses was designed. For gathering data, two questionnaires were used for the integration of guerrilla marketing and the traditional marketing and productivity of organizational marketing. The research hypotheses were tested by correlation test, and all the hypotheses were verified. The sequences of priorities in productivity of organizational marketing were new communicating technologies, marketing budget, innovation and problem solving techniques and new methods of advertisement. There was a significant relationship between the integration of guerrilla marketing and the traditional marketing in the improvement of productivity of organizational marketing in Iran enterprises. Also, it was concluded that new communicating technologies item with mean of 1.93, innovation and problem solving techniques with mean of 2.08, marketing budget item with mean of 2.89 and new methods of advertisement with mean of 3.12 were first to fourth priority, respectively.

Key words: Guerrilla, guerrilla marketing, guerrilla-traditional marketing, Kaveh industrial estate.

INTRODUCTION

Marketing is essential for the organic growth of a company. Not surprisingly, firms spend billions of dollars on marketing. Given these large investments, marketing managers have the responsibility to optimally allocate these resources and demonstrate that these investments generate appropriate returns for the firm. A knowledgeable manager should know if pricing, advertising or distribution is critical for the growth of his business (Gupta and Steenburgh, 2008). Only in 1983 did Jay Conrad Levinson make the term "guerilla marketing" known as a philosophy for small and start-up companies to successfully market their business with a small amount of money. He based the success of a marketing strategy on the use of non-traditional marketing channels, customer proximity, insistency and patience. Through the drastic technological development seen today and its

complimentary change in the advertising market, guerilla marketing has developed into a marketing form that is mostly used for promotion these days. New forms such as "ambush" and "viral" marketing have evolved (Drüing and Fahrenholz, 2008). Guerrilla marketing distinguishes itself from other promotion tools by its surprise effect and it has become a very popular marketing strategy in current times.

Casadesus-Masanell, Ramon and Ricart, JE (2007), in their researches from strategy to business models and to tactics (2009) states that the business model design of Teece involves assessments with respect to determining: (1) the identity of the market segments to be targeted, (2) the benefit the enterprise will deliver to the customer, (3) the technologies and features that are to be embedded in the product and service, (4) how the revenue and cost

structure of a business is to be designed (and, if necessary, redesigned) to meet customer needs, (5) the way in which technologies are to be assembled and offered to the customer, and (6) the mechanisms and manner by which the value is to be captured, and the competitive advantage can be sustained. These issues are all interrelated. They lie at the core of the fundamental question asked by business strategists, which is "how does one build a sustainable competitive advantage?" Integration of guerrilla marketing and traditional marketing is approached not as a set of tools (a technology) for facilitating transactions or responding to change, but as a vehicle for fundamentally redefining products and markets in ways that produce sustainable competitive advantage for enterprises.

About new methods of advertisement, Godes and Mayzlin (2007) report several other examples where companies promoted their products and services through word-of-mouth (WOM) marketing. Kumar et al. (2007) used a survey method to assess the value of word-of-mouth and referral (Gupta and Steenburgh, 2008). Zubcsek and Sarvary (2009) present that direct marketing (sending promotional messages to individual customers) is increasingly used by marketers as a result of the explosive growth of customer databases. Most current methods used to calculate optimal budgets for such DM campaigns consider customers in isolation and ignore the word-of-mouth communication (WOM). When the customer base forms a network (as it is the case in telecom or social network databases), ignoring WOM clearly leads to suboptimal direct marketing budgets.

The current traditional marketing methods however, generally ignore word-of-mouth communication between customers (Villanueva et al., 2008). Although marketers have always known that WOM has a very powerful influence on customer decisions (Bass, 1969; Herr et al., 1991; Van den Bulte and Joshi, 2007), until recently, they did not have much information about the individual communication patterns of consumers.

In the paper, the role of integrating guerrilla and traditional marketing in improving the productivity of organizational marketing in enterprises in Iran is discussed with a case study in Kaveh industrial estate which is the biggest industrial estate in Iran.

LITERATURE REVIEW

Drüing and Fahrenholz (2008) found in their research result that financially strong companies should use guerilla marketing as a complimentary tool to present the brand in a multimodal way. Smaller firms can make use of the cost-effective strategy to get the spotlight on their brand. Good co-operation with, for instance, the public relations department is essential to increase the guerilla marketing effect enormously. They reached their research that guerilla marketing would adapt with the customers, find ways to surprise them and interest them

by putting the idea in the forefront, not the brand. The evolved guerilla marketing form is now used by companies of all sizes. Global players such as BMW use it, and start-up companies do so to create brand awareness. Many small and medium-sized companies started with guerilla marketing and established their business lucratively. Through constant growth rates, they have the means to also afford traditional marketing tools to gain more and more market share, which continue to attack the market leaders.

Wensen (2008) asserts nowadays that one can win the battle for the consumer's attention by being smarter and more creative than his/her opponent, instead of spending more money for TV commercials than his/her competitor does. His definition of guerilla marketing is a broad one and an unexpected brand program through alternative media. Guerilla marketing includes, for example, guerilla marketing, ambush marketing, buzz marketing and also events, but guerilla marketing is far more than the definition. It is a mentality too, because the mentality of thinking is outside the box and thinking for solutions for communications problems in a broader way, instead of thinking in terms of just TV commercials. Traditional advertising on TV, radio, print and even traditional outdoor advertising is not what is meant by guerilla marketing. Guerilla marketing is a way of thinking. He says that the study have to use that way of thinking at the beginning of the strategic process.

Türkel (2009) describes the evolution of advertising by discussing how it gets affected by technology and the importance of guerrilla advertising. The study presents guerrilla advertisement and uses alternative communication strategies to attract customers' attention. The more the impact of advertising on masses gets larger, the more it draws the attention of the media. There is also a chance for world wide advertising agencies to compare their innovative ideas besides the printing media. In his thesis, he analyzed the different perspective of guerrilla advertising to highlight the necessity of guerrilla advertising in Turkey.

Regina and Galer-Unti (2009) expresses some of the principles of guerilla marketing configured to aid in health advocacy efforts. The basic tactics of guerilla marketing are to substitute innovation and creativity for the staid and status quo methods of advertising. Since 1984, Levinson's ideas have been reworked to illustrate how those in a variety of occupations can translate the principles of low-budget, aggressive marketing to aid in selling their products (Levinson et al., 2001).

RESEARCH HYPOTHESES

Main hypothesis

There is a significant relationship between the integration of guerilla and traditional marketing and the improvement of productivity of organizational marketing in Iranian

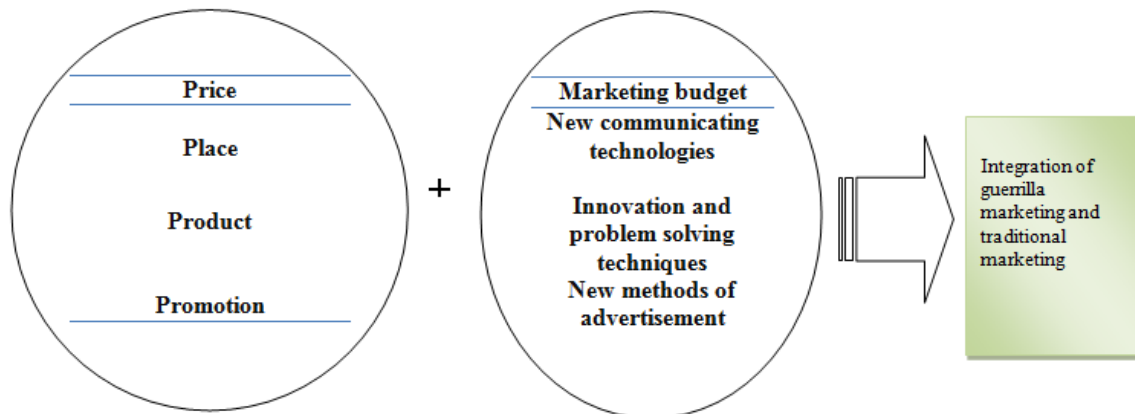


Figure 1. Integration of guerrilla marketing and traditional marketing.

enterprises.

Secondary hypotheses

1. There is a significant relationship between new methods of advertisement and the improvement of productivity of organizational marketing in Iran enterprises.
2. There is a significant relationship between using innovation and problem solving techniques and improvement of productivity of organizational marketing in Iran enterprises.
3. There is a significant relationship between using new communicating technologies and improvement of effectiveness of organizational marketing in Iran enterprises.
4. There is a significant relationship between decreasing of marketing budget and improvement of effectiveness of organizational marketing in Iran enterprises.

RESEARCH CONCEPTUAL MODEL

A conceptual model was designed based on the research targets (Figures 1 and 2).

STATISTICAL POPULATION AND SAMPLE

The target population was Kaveh industrial estate. The samples were selected from the target population. Kaveh industrial city was founded in 1972 by the then government for the purpose of the country's economical development. It is located ten kilometers from Saveh in Markazi province with the surrounding of 2500 hec and the establishment of the major province. The units in Kaveh industrial estate are: chemical industries, electrical and lighting industries, non metallic minerals, cellulose industries, textile industries, food and agriculture industries and metal industries.

As a result of the fact that the numbers of samples were

70, stratified random sampling was used. For determination of the sample size, the following formula was used:

$$n = \frac{(1 - r^2)Z^2}{r^2 * d^2}$$

Because of n = number of sample and $\alpha = 0,05$, then $Z^2_{(\alpha/2)}$ equals $(1,96)^2$. Based on the data of initial sample, r equals 0.76 and degree of freedom equals 0.2. Therefore, after substitution of digits in the given formula, the number of samples gained was 70 and with the thought of raising the validity of these questionnaires, and possibly faulty ones among the questionnaires which will be returned, the number was raised to 90 and the questionnaires were done.

RESEARCH METHODOLOGY

This study applied the research and survey-descriptive research. It used the correlation method to determine the relation between integration of guerrilla and traditional marketing and the improvement of organizational productivity marketing in Iran enterprises. Consequently, two questionnaires were designed and distributed. One questionnaire was used for productivity of organizational marketing, while the other was used for integration of guerrilla marketing and traditional marketing. For the evaluation of organizational productivity 15 questions were stated, while for integration of guerrilla marketing and traditional marketing 35 questions were stated. Time scope of the data collection was from March to June 2010. For reliability of the research, the Cronbach's alpha coefficient was used and the results of the variables reliability are shown in Table 5.

Also, the study calculated the Cronbach's alpha coefficient for all the questions in this research and it resulted to 0.846. If this number is higher than 0.7, then the reliability of the research is verified. For validity, evaluation was used from content validity and verification of expert professors and expertise managers of enterprises in marketing.

Based on the research hypotheses, it can be stated that independent variables are new methods of advertisement, innovation and problem solving techniques, new communicating technologies, marketing budget and dependent variable which is the productivity of organizational marketing. Also, the relation between integration

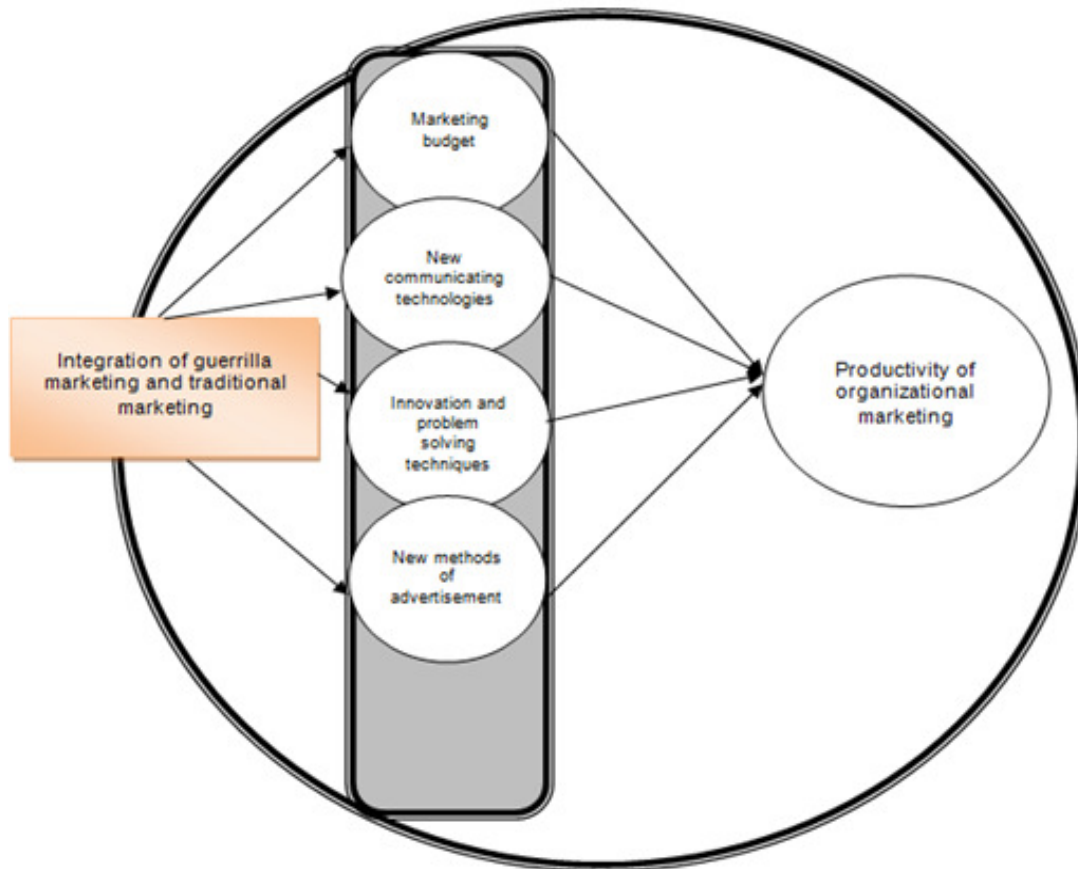


Figure 2. Research conceptual model (Source: Author work, 2010).

of guerrilla marketing and traditional marketing with new methods of advertisement, innovation and problem solving techniques, new communicating technologies and marketing budget are explored and analyzed.

RESEARCH FINDINGS

Data descriptive analysis

The number of samples was 70 managers and all of them were male. Based on Table 6, all the participants in Kaveh industrial estate are of medium age. For normality testing of variables, the Kolmogorov - Smirnov test was used. The test results are shown in Table 9. By Pearson's correlation coefficient, the relation among new methods of advertisement, new communicating technologies, innovation and problem solving techniques, and marketing budget are verified.

Due to the fact that the error level (0.000) is lower than the given error level (0.05), H_0 based on equality of variables priorities is rejected. Thus, the result of Friedman test shows new communicating technologies item with mean of 1.99 in the first priority, the innovation and problem solving techniques with mean of 2.04 in the second priority, marketing budget item with a mean of

2.87 in the third priority and new methods of advertisement item with mean of 3.10 in the fourth priority of productivity of organizational marketing.

In the following table, productivity of organizational marketing questionnaires respondent sequentially presented new communicating technologies, marketing budget, innovation and problem solving techniques and new methods of advertisement.

Conclusions

The research showed that there is a relationship between the integration of guerrilla and traditional marketing and the improvement of productivity of organizational marketing in Iran enterprises. There is a significant relation between new methods of advertisement and productivity of organizational marketing. Therefore, the first secondary hypothesis is verified. There is a significant relation between innovation and problem solving techniques and productivity of organizational marketing. Therefore, the second secondary hypothesis is verified.

There is a significant relation between new communicating technologies and productivity of organizational

marketing. Therefore, the third secondary hypothesis is verified. There is a significant relation between marketing budget and productivity of organizational marketing. Therefore, the fourth secondary hypothesis is verified. The mean of productivity of organizational marketing measurement shows sequentially new communicating technologies item, marketing budget item, innovation and problem solving techniques item, and then the last new methods of advertisement item which influence the productivity of organizational marketing in Iran enterprises.

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