Educating graduates for marketing in SMEs: an update for the traditional Marketing curriculum

Abstract

Purpose – Despite rising graduate unemployment in the UK, there are insufficient numbers of graduates employed in small and medium sized enterprises (SMEs). The literature suggests that a teaching emphasis on large organisational business models in Higher Education Institutions (HEI), particularly in the teaching of marketing theory, renders the SME sector unattractive to graduate employment and conversely, it is perceived that graduates lack additional ‘soft skills’ vital for SME development and growth. The aim of this study is to provide an analysis of how SMEs define marketing and to compare student perspective on marketing within a SME context. This paper also examines the need to improve the conventional marketing curriculum with additional teaching solutions that consider the reality of UK SME ownership and student employment prospects.

Design/methodology/approach – A qualitative research approach was adopted using in-depth interviews amongst ten SME owners and twenty undergraduate marketing students of a UK University.

Findings – Findings revealed that the marketing practices used in SMEs were not present in the marketing curriculum in the case University. The employment of marketing graduates was not positively perceived by SME owners and equally, marketing undergraduates did not view SMEs as the career organisation of choice.

Research limitations/implications – The findings suggest that Universities need to adapt their marketing curriculum to inform students of the realities of SME marketing practice and better prepare them for future employment in this sector, which contributes significantly to the overall economy and job creation in the UK.

Originality/value – Our study re-evaluates the HE marketing curriculum and suggests an update of the curriculum in order to move the university-industry-government relationship away from the traditional knowledge transfer perspective.

Keywords – Marketing graduates, marketing curriculum, employability, small and medium-sized enterprise, SMEs, SME marketing

Paper type Research paper
Introduction

The percentage of youth (18-24 years old) unemployment in the UK has risen dramatically in recent years reaching 18.4% (761,000) with almost one-in-five youths currently out of work (ONS, 2013). This situation is exacerbated by Universities producing a large number of graduates each year. For example, 787,205 fresh graduates were produced by HEIs in England in 2011/12 (HESA, 2012). This situation is further complicated by graduates favouring jobs in large organisations rather than employment in small and medium sized enterprises because of perceived improved career prospects (Hart and Barrat, 2009).

SMEs often fail to recognise the benefits of recruiting graduates, believe that graduates are not well prepared for the world of work and do not have the relevant skills (Collinson, 1999; Holden and Jameson, 2002; Holden et al., 2007; Hart and Barrat, 2009; Woods and Dennis, 2009; Kewin et al., 2010). The skills and knowledge that graduates acquire at University may not have prepared them for future employment (Schlee and Harich, 2010) and in particular for employment in SMEs (Holden and Jameson, 2002; Holden et al., 2007). Yet, the SME sector has the potential to make a significant impact on economic growth and job creation (Lin, 1998; Hill and McGowan, 1999; Hill, 2001; Deakins and Freel, 2009; Walsh and Lipinski, 2009). SMEs currently account for 99.9% of all UK private enterprises and 59.4% of private sector employment (BIS, 2010).

Traditionally, Universities were a source of human capital and contributed to the industry via its development of future employees fit for industry (Etzkowitz, 1998). Their first mission was to produce highly qualified graduates to serve the regional and national workforce (transfer of knowledge to students) who can contribute to industry demand. (Philpott et al., 2011). Later on, the first academic revolution (Etzkowitz, 1998) which occurred in the late nineteenth century in the US, led Universities to integrate research as part of their academic function (knowledge creation). In recent years, Universities have been undergoing a ‘second revolution’ that suggests the traditional role of education and knowledge creation should be alongside the economic development via the capitalisation of knowledge. The Triple Helix of University-Industry-Government Relations (Etzkowitz and Leydesdorff, 2000), builds on the premise that Universities should engage in economic and social development via its capitalisation of knowledge. There are a number of contributions Universities can make to industry and government, ranging from traditional to entrepreneurial activities, producing highly qualified graduates, publishing academic results, obtaining grants, consulting, providing industry training courses, contract research, patenting and licensing, spin-off firm formation and the creation of Technology Parks (Philpott et al., 2011). In recent years the role of the University sector is experiencing such change in all parts of the world. According to Hewitt-Dundas (2012), Universities changed from a linear to a distributed model of innovation where they play an important role in economic development working alongside large enterprises, technology parks as well as SMEs. The old view of knowledge as public good with little priority on intellectual ownership is now transformed to a licensing model where intellectual property is at the heart of the business model.

In this research we aim to bring back the relevance of examining the traditional mission of Universities as it relates to producing highly qualified graduates to serve industry. As economic conditions and the business environment undergo a constant state of flux, the knowledge that Universities transfer to students should fit the current and future needs of industry making graduates more desirable for SMEs to recruit. This entails providing graduates with the skills to contribute to SME growth and success and giving them opportunities for career development. Marketing, as an example, within SMEs is recognised as a business
activity, which could contribute to business growth. However, mainstream marketing theories (Brassington and Pettitt, 2007; Kotler et al., 2008; Jobber, 2009) are more typically designed for large organisations where financial resources and marketing expertise are readily available. SMEs have their own unique characteristics with their marketing activities (O’Dwyer et al., 2009a; Reijonen, 2010; O'Donnell, 2011) often restricted by limited resources and the lack of marketing expertise (Parrott et al., 2010) and where the transfer of large organisational marketing models to the SME context have limited scope (Gilmore and Carson, 1999).

The purpose of this paper therefore is to propose the need to integrate marketing related knowledge with a focus on SMEs for the general marketing curricula aiming to enhance the career perspective or graduates as well as to enhance their employability.

Literature Review

The Marketing curriculum

Academic research on marketing in SMEs has increased in recent years (Deakins and Freel, 2009; Walsh and Lipinski, 2009) but many HEIs do not provide marketing curricula that are relevant to the needs of SMEs (Smart et al., 1999; Stringfellow et al., 2006). Marketing theories drawn from conventional textbooks (Brassington and Pettitt, 2007; Kotler et al., 2008) and academic research (McDonald, 2006) continue to focus primarily on formal marketing planning, marketing research and the implementation of the marketing mix (4Ps and 7Ps) which are more suitable for large organisations where financial resources and marketing expertise are readily available. Conventional marketing theories and models neglect the uniqueness of SMEs (Collinson, 1999; Moriarty et al., 2008; Stokes and Wilson, 2010), which can significantly hinder the understanding of the skills required by students and can provide graduates with a misplaced view of the reality of implementing marketing in SMEs (Martin and Chapman, 2006; Stephens et al., 2010). Although there are a number of HEIs in the UK who offer courses with a focus on small business management to students, many of them do not consider the SME context. This particular issue can be related to the design of these general business management courses which are largely based on perceptions of business needs, instead of being relevant to the actual needs of businesses and SMEs in particular (Holmes and Miller, 2000).

The lack of SME related insights in the curriculum may hindered the career aspirations of students, in terms of SME employment (Martin and Chapman, 2006; Hart and Barrat, 2009), particularly when a marketing career is sought as SMEs simply do not practice the type of marketing carried out in larger organisations (Gilmore and Carson, 1999). The literature acknowledges that large organisational models should not be applied to an SME setting (Gilmore et al., 2001; Berthon et al., 2008; O’Dwyer et al., 2009b) because SMEs have their own unique business characteristics, such as the presence of SME owners (Reijonen, 2008; Reijonen, 2010), their marketing activities are often restricted by limited resources and marketing expertise (Carson and Cromie, 1989; O’Dwyer et al., 2009b) and the dynamic business environment within which SMEs operate (Gilmore et al., 2001; O’Dwyer et al., 2009a). SME marketing is, arguably, different from that of large organisations (Carson et al., 1998; Blankson et al., 2006; Moriarty et al., 2008); the management culture is more innovative and entrepreneurial and owners/managers tend to be more proactive and opportunistic in nature (Day et al., 1998).

Stokes and Blackburn (1999) argue that SMEs pay less attention to marketing as an important function of the business since marketing is often perceived as a large organisation
activity. In addition, marketing is often seen by many SMEs as a ‘troublesome and problematic undertaking’ (Krake, 2005, p.229). Nevertheless, it is believed that marketing is practiced by small firms, although the degree of activities varies according to the nature of the industry (Simpson et al., 2006; Reijonen, 2010) with authors agreeing that SME marketing practices and decision making tends to be more creative, alternative and instinctive (O’Dwyer et al., 2009a), informal and unstructured (Gilmore et al., 2001) and chaotic and unplanned (Carson et al., 1998; Hill, 2001). Other literature suggests that entrepreneurs tend to follow the effectual process while making decisions, i.e. ignore the predictive information in making marketing decisions (Read et al., 2009).

It can be argued that SMEs are involved in marketing as they are engaged in activities such as networking (Gilmore et al., 2001), social media marketing (Harris et al., 2012) and relationship marketing (Day et al., 1998) but there is an inclination for SMEs to focus on tactical issues rather than strategic issues (O’Dwyer et al., 2009b) as they are less concerned about long term planning for the business (Blankson et al., 2006; Parrott et al., 2010). It appears that SME owners/managers have a lack of understanding of the definitions of marketing and its applications (Moriarty et al., 2008). In Hill and McGowan’s (1999) study on marketing planning, it has been asserted that the conventional marketing planning theories and concepts do not conform to the small firms setting due to the unique personality and managerial competences of owners/managers. SMEs practice marketing but their approach is different of those in large organisations (Gilmore and Carson, 1999; Gilmore et al., 2001; Reijonen, 2010; O'Donnell, 2011).

Academia may not have fully integrated the SME context into the teaching curriculum (Collinson, 1999; Schlee et al., 2008), which can restrict graduates’ knowledge and skills for employment and affect their understanding and perceptions towards SMEs and even entrepreneurship. For this reason, it is crucial that the HE sector provides marketing curriculum that includes the knowledge and skills relevant to both large and small corporations (Schlee and Harich, 2010) and thereby enhance graduate employability and career options.

**Developing employability skills**

The importance of graduate skills has been highlighted by the Confederation of British Industry and Universities UK (2009). It noted the necessary generic soft skills that make graduates more employable and successful in the workplace. The list of knowledge and skill requirements for different levels of marketing jobs (for example, entry level and managerial level) in the US and Australia have also been identified (Walker et al., 2009; Schlee and Harich, 2010). Similarly, the Leitch Review of Skills (HM Treasury, 2006) noted the importance of SMEs in job creation and contribution to the UK economy. This report emphasised the need to invest in training and education to improve the skills of the workforce in order to sustain the UK’s competitiveness in the global economy. For this reason, developing graduates’ skills necessary for employment in SMEs is an important agenda for HEIs.

The development of an entrepreneurial mind set and/or enterprising skills is also on the agenda for graduate development in order to enhance their employability (Herrmann et al., 2008; Gibbs et al., 2009; Volkmann et al., 2009; Gibb, 2010). Employers require skills that enable graduates to act in enterprising ways to deal with a fast-changing business environment and a personal life that is full of uncertainties and complexities (Gibbs et al., 2009). For example, in addition to marketing knowledge and skills, marketing students also need to have skills in problem solving, communication, leadership, networking and teamwork and learn how
to integrate these skills when practicing marketing in a small business context (Lamont and Friedman, 1997; Evans, 2008).

Some 43% of employers claim difficulties in recruiting graduates due to their lack of soft skills such as leadership, teamwork and communication (BBC, 2007; Ford, 2007). Woods and Dennis (2009) found that although 60% of SME firms noted that graduates are needed, only 22% felt that graduates were sufficiently well prepared for the world of work. Recent surveys continue to suggest that the skills gap persists (Nordling, 2008; Black, 2010) and for this reason, there is a need to narrow the gap between skills acquired at Universities and those that employers value in the workplace. In response to these current needs, existing marketing curriculum should firstly pay attention to the development of complimentary graduates’ soft skills and enterprising skills including communication, critical thinking, problem solving, leadership, networking and teamwork, and interpersonal relations (Lamont and Friedman, 1997). It is important to note that although these skills are applicable to all types of organisations (large and small) the nature and characteristics of SMEs and large organisations are very different. Hence, the need to incorporate the SME context into the existing marketing curriculum as this will ensure that graduates are equipped with the knowledge of how these skills could be transferred to both small and large organisations settings.

The current marketing curriculum in the UK higher education sector has traditionally concentrated on theories and models drawn from large organisations (Freeman, 2000; Hart and Barrat, 2009) such as Microsoft, Apple Inc., Proctor and Gamble and Starbucks, where resources and marketing expertise are plentiful and marketing practices can be implemented more effectively. Students tend to have little experience and knowledge about the nature of SMEs and their marketing practices. For example, the importance of a ‘sales focus’ and the skills for extensive networking (Hill and Wright, 2000; Parrott et al., 2010), the role of social media marketing and social networks (Harris et al., 2012) and the effectiveness of the use of personal recommendation for SMEs to successfully compete with larger organisations (Stokes and Lomax, 2002) have been undermined in the current HE marketing curriculum in the UK. The existing marketing curriculum fails to demonstrate the unique marketing approaches used by SMEs (Carson and Cromie, 1989), which could have significantly hindered students’ understanding of how SMEs practice marketing. Under the current teaching curriculum, graduates are more likely to form a less favourable perception towards SMEs when compared to large organisations due to insufficient knowledge and understanding of the small firm sector (see Figure 1) and which may hinder graduates seeking employment in SMEs (Moy and Lee, 2002; Martin and Chapman, 2006; Hart and Barrat, 2009).

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**SMEs and graduates perceptions of skills**

The traditional role of HEIs was to educate and prepare individuals to become employees (Fletcher, 1999; Kirby, 2004; Matlay, 2005, 2006; Nurmi and Passio, 2007). However, this traditional role has to be reformed to meet the needs of an entrepreneurial culture and SMEs that co-exist alongside large corporations (Kirby, 2004). Large organisations have typically been over-represented as the future employers of graduates and accordingly there are misconceptions of career opportunities and development within the SME sector. Hart and Barratt (2009) suggest that graduates tend to favour large organisation employment as opposed to small businesses due to a perceived favourable career prospects and opportunities.
Misperception is also found amongst SME employers who fail to recognise the benefits of recruiting graduates (Collinson, 1999; Holden and Jameson, 2002; Holden et al., 2007; Hart and Barrat, 2009; Kewin et al., 2010). Many SME owners/managers believe that although graduates may have a strong theoretical knowledge of business and marketing, they do not fully comprehend business imperatives (O’Brien and Hart, 1999; Stringfellow et al., 2006; Woods and Dennis, 2009). Holmes and Miller (2000) suggest that employers do not only pay attention to graduates’ academic capabilities but that their key skills are also important. SME owners believe that graduates lack practical and vocational skills (Hart and Barrat, 2009) and are too costly to employ in terms of their annual salary and additional training costs (Collinson, 1999). The UK Commission for Employment and Skills identified that employers believed that today’s graduates are lacking in ‘soft skills’ which are crucial in delivering day-to-day business activities within SMEs (UK Commission for Employment and Skills, 2010). It is also noted that SMEs are likely to face more challenges finding staff with sufficient employability skills applicable to the sector.

There is no doubt that HE is a major contributor to economic success and social well-being in the UK (BIS, 2011). HEIs are responsible for developing graduates with skills and competences crucial for future employment yet some argue that Universities continue to focus on teaching theoretical models applicable to larger organisations (Freeman, 2000; Hart and Barrat, 2009). Consequently, the existing marketing curriculum may struggle to develop the relevant ‘soft’ and enterprising attributes to prepare students with the necessary knowledge and skills set to work in the SME sector.

It is evident that the literature suggests there is a mismatch between skills acquired by graduates in University and the skills required by SME employers. A summary of the views discussed in our literature is depicted in Figure 1. This figure illustrates how Universities fulfil its tradition mission of education by adopting knowledge and skills associated with large enterprise. As a consequence, there is a good fit between graduates’ attitudes towards large enterprise as well as readiness for large enterprise employment. Nevertheless, the knowledge and skills associated with SMEs are neglected; this leads to a misfit of attitude towards readiness for SME employment.

**Aims and Objectives**

The aim of this study is to provide an analysis of how SME owners define marketing and to compare student perspective on marketing within a SME context. Two specific objectives of the study are to understand how SME owners and marketing students perceive marketing practice in SMEs and to compare the perceptions of graduates and SME owners of each other as potential employee and employer.

This understanding will be used to create insights into the coherence between SME owners and student perceptions and a review of teaching solutions, linked to the reality of small business ownership and student employability skills necessary for the SME sector. We have compared these definitions and perceptions with student perceptions of marketing and employment in SMEs and provide a synchronic study of the perceptions between these two groups. Finally we discuss how HE marketing curriculum in the UK could be adapted to the needs of both parties. This will help the academics and universities to revisit the existing marketing curricula to enhance the career perspective or graduates as to enhance their employability.
Research Method

The research methods used in this study were an in-depth literature review, semi-structured interviews with ten SME owners in two geographical regions of the UK, and semi structured interviews with twenty undergraduate marketing students at one UK University based in the East Midlands. The entire student sample had undertaken work experience in an SME involving marketing. This was an exploratory investigation emphasising participant interpretations and taking account of the research context (Bryman, 1989; O’Donnell and Cummins, 1999). The sample size, although small, allowed for an in-depth exploration of the research questions. It also allowed a more detailed comparison between SME owner perceptions of UK marketing graduates and students’ perceptions of SME employment. The interviews lasted approximately one hour in duration and data was fully recorded and later transcribed.

For the SMEs owners, interviews were carried out either at the premises of the SMEs or at the case University. The ten SMEs owners were selected through purposive sampling and drawn from two UK geographical locations, the East Midlands and the North West. Using the SME definition from the European Commission (European Commission, 2012), six of the sample could be classed as micro businesses (less than 10 employees) with the other four as small enterprises (less than 50 employees). The businesses represented a range of services such as a specialist restaurant, beauty services, web design, systems development and retail jewellery. The average age of the owners was 45-54 years with a gender mix of six males and four females. Seven out of ten SME owners were educated to degree level or above with two having graduated in business and marketing related subjects (MBA); two graduating in engineering, one in pharmacy, one in English and a history graduate. The average trading age of the ten businesses was eleven years with an average annual sales turnover of £318,000.

The interviews with the SME owners were structured around thirteen questions concerned with their SME marketing practices and their perceptions of employing marketing graduates (see Appendix I) The main questions of relevance were around (1) how they viewed marketing, (2) what marketing activities they undertook, (3) how were these activities planned and organised, (4) what marketing skills they employed, (5) how marketing contributed to their business success, (6) how they viewed employing graduates and (7) how they viewed employing marketing graduates. These themes were derived from the research aims and informed from the SME marketing literature (for example, Gilmore and Carson, 1999; Gilmore et al., 2001; O’Dwyer et al., 2009a, 2009b) and from marketing education literature focusing on graduates’ skills (for example, Martin and Chapman, 2006; Schlee and Harich, 2010; Stephens et al., 2010).

Twenty marketing students were selected through purposive sampling and all participants had work experience in SMEs ranging from two months to a twelve month work placement as part of their business management degree courses. The participants were recruited through a research invitation notice distributed in lectures and seminars after which students then voluntarily approached the researchers and participated in the study. To reduce self-selection bias, researchers cross checked participants’ SME work experience before commencing the interviews. The student sample was comprised of eight males and twelve females; the average age was twenty-two years and all participants were in the final year of a Business Studies degree with a specialisation in marketing. The type of work experiences was varied and encompassed small hotels, customer contact centres, hairdressing, property management and IT design. Interviews were structured around nine questions concerned with their understanding of marketing from HE education, their experience of marketing practices
within SME setting and their perception of SME employment (see Appendix II) with a focus on: 1) the content of the marketing curriculum; 2) how they viewed marketing and marketing activities; 3) what constituted a marketing role within an SME; 4) the marketing activities undertaken in their SME work experience; 5) their career aspirations and the relevance of their marketing degree in securing employment. These themes were also derived from the aims of the study and the existing SME marketing literature and marketing education literature as discussed.

The analysis followed the recommendations of Miles and Huberman (1994) and Bryman and Bell (2003) for thematic analysis. Transcripts were segmented into sections relating to the questions and examined in depth to generate categories through a process of line by line coding. As the number of categories built up, cross referencing was used to merge similar categories for all sets of participants. Categories were then revised with the ultimate aim to reduce the number of categories. Each researcher read the transcripts multiple times noting emergent themes. Overall, five key themes emerged, which all the researchers agreed represented the most important categories of attributes the participants perceived in relation to the research questions.

Findings
The concept of marketing in SMEs was broadly understood by all participants in this study but definitions and reported practices varied. We identified five key themes, which addressed the key aim of the research. These were: (1) how marketing is defined within an SME context; (2) application of marketing in SMEs; (3) the barriers to implementing marketing; (4) graduates as potential employees and SMEs as a potential career option; and (5) the relevance of the HE marketing curriculum for graduates looking for employment in SMEs.

1) Definition of SME marketing
A number of definitions were applied within a SME context. However, these could be summarised as a focus on the customer (an identification of their needs and providing a service or goods to meet that need) and the recognition that advertising plays an important role in marketing (see Table 1). Although no single definition was identified in the responses, marketing was commonly contextualised within a customer framework. Students also defined marketing around customer needs and advertising but also suggested that it is centred in the ‘4Ps’ of marketing, which they have learnt from textbooks and in classrooms.

The findings suggest that both students and SME owners understood the underlying principle of marketing, however students may not necessarily apply it to the small firm context due to their unique characteristics. This hinders students’ understanding of how marketing is being practised in small businesses, hence, there is a need to develop and refine existing marketing models and definitions specifically for SMEs (Moriarty et al., 2008).

2) Application of marketing
SME owners integrate marketing activities into the overall business activity, which corresponds with existing literature (Day et al., 1998; Gilmore et al., 2001). Although most respondents assume that specific marketing activities are not applied, our data suggest otherwise in that some form of e-marketing is commonly practised. For example, consumer press or TV advertising was not used but eight of the ten SMEs had set up their own websites and engaged in different levels of activities to market their business through the web-based activity. One of the respondents also undertakes activities such as exhibitions, trade press advertisements and direct communication to their customers (Systems SME owner).
However, within some SME business environments, marketing activities are perceived by the owners that marketing adds little value to the business. This reinforces that traditional marketing definitions and theories may not necessarily apply to the SME context (Simpson et al., 2006; Moriarty et al., 2008; Stokes and Wilson, 2010). With the exception of two SMEs owners who both had previous marketing careers, most perceived marketing as an activity which could be slotted in as time and finance allowed. Although it was recognised that expertise in marketing was required, there also emerged a sense that for some SME owners they themselves personified the ‘marketing’ and too much emphasis placed on marketing activities detracted from their unique contribution to the business, such as the use of their technical or specialist industry knowledge. Marketing was also regarded as a separate activity in the business to be accessed as necessary. SME owners/managers tend to be more opportunistic (Carson and Cromie, 1989; Carson et al., 1998), hence marketing is used as an intrinsic part of the whole business function. In this way, marketing within an SME context emerges as an unskilled activity that requires little time or training and which anyone in the company can undertake.

Students articulated marketing activities as marketing planning, market research, advertising, and using models such as SWOT analysis, which are commonly used as teaching examples in the marketing curriculum. However, student work experience suggested that SMEs’ marketing activities varied from the taught curriculum. For example, one student said: ‘...like obviously there’s going to be certain areas of Ps (Marketing Mix) that they’re not going to take into consideration... I don’t really think they had a lot of like promotional sort of things like that... money-wise, you know, couldn’t afford to...’ Students cited SME marketing activities as those which focused on communication via websites, internet marketing, social media such as Facebook, mail shots and cold calling, as one student suggested that: ‘...it all ended up being sort of word of mouth, nothing like TV or radio or anything major sort of advertising like that’.

The data suggests that marketing within an SME context was not planned or organised in a formal or systematic way and there is no evidence of having any formal marketing function in the SMEs. In essence, there was no evidence of any planned marketing strategy. ‘Intuition’ and ‘responding to an opportunity’ were phrases often used to describe the planning of activities by business owners. These have been well documented in the existing SME marketing literature (for example, Carson and Cromie, 1989; Carson et al., 1998; Day et al., 1998). Interestingly, the absence of a formal function was not always perceived negatively. A student highlighted that: ‘...there’s no sort of... there is a hierarchy but it’s like the layers are sort of integrated... So from top down, from the manager, from the company directors, they all get involved. So yeah, it’s quite good’.

3) The barriers to implementing marketing

Due to financial constraints within SMEs (Walsh and Lipinski, 2009) owners perceived marketing as potentially expensive and requiring specific knowledge and expertise, neither of which resource was readily available. ‘Money...money is always the issue...even a profitable business can be killed by cash flow’. An electrical installer owner perceived that marketing was constrained by ‘time. I am an electrician...we have no expertise in marketing and time is the
main constraint.’ SME owners were also unsure whether marketing was worth the effort in terms of time or expenditure. There also emerged a sense that overt marketing was somehow lacking in honesty and integrity and missing the personal touch of the owner credentials. The findings also suggest that many SME owner perceived marketing as an expensive activity and accordingly kept it to the minimum, as one explained:

‘We don’t do a lot of classic marketing activities. It’s more around how we deliver things on a day to day basis’ and ‘we don’t plan (marketing)… we don’t do anything in a formal way’

Some of the students also shared the view that there are barriers for SMEs to implement the traditional marketing practices used by the larger organisations as one pointed out:

‘… so I thought it was more like… more like TV advertisements and like more of the big businesses…’

This further highlights that traditional marketing theories and models such as the marketing mix do not apply to the SME context (Blankson et al., 2006).

4) Graduates as potential employees and SMEs as a career option

None of the SME owners employed business or marketing graduates and this reflected a perception that both the salary offered to graduates and job expectations could not be met. In addition, owners did not believe that marketing represented a full time job within their business although three of the ten SMEs employed graduates in IT or technical roles where it was perceived that graduates had specific attitudes and learning skills to bring to the business.

Out of the twenty students interviewed, seventeen perceived future employment in SMEs as being secondary to employment in a large organisations due to lack of opportunity to progress. For example, a student said ‘I think you get to a point where you’re sort of stuck’ and it was perceived that there were less attractive financial rewards - ‘there’s more sort of benefits maybe within bigger companies’. These students’ perceptions resonated with the literature which suggests there are misperceptions of SME employment from graduates (Martin and Chapman, 2006; Stephens et al., 2010). However, three students who were positively seeking employment in SMEs cited reasons such as the personal feel of the company, the smaller work environment, the friendliness of the staff and the potential for early responsibility. Some students also felt that working for an SME organisation has allowed them to learn independently since they had more job responsibilities, as one stated ‘…in larger organisations you’re defined to your role and you can’t really scope out of that’. In addition, students have also learned to work more flexibly in their roles, as a student explained ‘there was no marketing department as such but they all had a split role’. A number of students highlighted that they could gain knowledge and experience from the SME owners due to the small size of the organisation and the opportunity to build closer relationships with the owner. For example, one student said ‘…having a closer relationship with and being able to see and speak on a daily basis with the owners of the company… more beneficial to me because they could spend more one-on-one time with me and like impart their wisdom and knowledge on to me’. Trust building and working as a team were additional skills which some students had developed from their work experience in the SME companies as one explained ‘if a manager was up in the office, I could stay downstairs in the restaurant on my own, with it being so small. And there was a lot of trust because of the size of it…’
5) The relevance of the HE marketing curriculum for SME employment

Existing literature (for example, Moriarty et al., 2008) has suggested how theories derived from larger organisations do not apply in a small business context. This coincides with students’ perceptions of current HE marketing curriculum focused heavily on traditional marketing theory and practice such as the 4Ps, strategy, market research, branding, and large scale advertising and which did not focus sufficiently on marketing practices such as word of mouth communication, relationship marketing, internet marketing and social media marketing. Students’ perceptions were that the existing HE marketing curriculum failed to focus sufficiently on SME marketing practices. For example,

‘... when I was being taught about marketing, I thought everyone applies this but a lot of small businesses don’t use marketing strategies and don’t have a marketing department do they?’

A further concern by the students was the lack of teaching around SMEs in the existing marketing curriculum. Students perceived that they were only exposed to the SME context if they had worked for a SME in their work placement.

Discussion

Our study suggests that SME owners and marketing undergraduates define marketing as being customer focused, meeting customer needs and involving some levels of advertising. However, the way marketing is practiced in SMEs does not correspond with student understanding as typically taught in the HE business management and marketing curriculum. What has emerged from these findings is congruent with the existing literature in which the current HE marketing curriculum focuses heavily on traditional marketing theory and practice as discussed previously (see Figure 1) which fails to reflect the characteristics and reality of SMEs (Martin and Chapman, 2006; Stephens et al., 2010). However, as suggested in our study, unique characteristics of SMEs (such as chaotic business style, effectual process when making decisions) and strategies such as word of mouth communication, relationship marketing, internet marketing and social media marketing (activities typically undertaken by SMEs) receive very little attention in the current marketing curriculum. In addition, students recognised the value of personal skills development such as teamwork, working independently, flexibility, communication skills from their work experience within the SME sector.

Existing literature suggests that marketing in SMEs is focused on customer engagement, networking and word of mouth communication (Day et al., 1998; Gilmore et al., 2001). The findings of this research further emphasis that networking, as part of relationship marketing, a concept typically contextualised as relying on large scale technology, needs to be taught as a core small business skill in which technology can be easily adapted to accommodate the size of an organisation (Confederation of British Industry and Universities UK, 2009). The findings suggest that word of mouth (Stokes and Lomax, 2002), communication with social networking (Harris et al., 2012), vehicles such as Twitter, Facebook and LinkedIn are inexpensive and effective mediums for SMEs. Hence, this study highlights the emergence and increasing importance of websites and viral marketing as growing and appropriate marketing tools for small business. Online marketing and social media marketing should become part of the core marketing teaching programme with topics such as marketing planning making allowance for SME business realities such as short time scales, simplified business structure, quick decision making processes and opportunism. (O’Dwyer et al., 2009b). Other changes to the marketing curriculum could be the inclusion of SME case studies and the instigation of student projects based around an SME context to enhance the client-based learning
environment for graduates (Parsons and Lepkowska-White, 2009). In addition, HEIs’ business and marketing curriculum could offer SME-focused modules and integrate contents that have links to marketing practice used by SMEs in conventional marketing curriculum. This would help students to gain a better understanding of SME practice and could inspire students to work in the sector (Peltier and Scovotti, 2010).

Universities could also invite local SMEs to contribute to the design of existing business and marketing curriculum as building the partnership between Universities and SMEs could contribute to the development of graduates (Freeman, 2000). As noted in Matlay (2011), a stakeholder approach towards designing the curriculum could be beneficial to the development of enterprising graduates in UK HEIs. A stronger and closer relationship should be built between Universities’ career advisors and SMEs to provide student internships, consultancy projects and placements. This will provide students with the opportunity to put their SME marketing skills into practice and to convince SME owners that business graduates can contribute to their development. In addition, work experience can develop graduates’ soft business-related skills that are vital to their future employability (Andrews and Higson, 2010) and thereby build a bridge between HEIs and SME owner-managers (Johnston et al., 2008).

Universities, in particular business schools, could build closer links with the SME sector (Johnston et al., 2008; Matlay, 2011) by introducing staff development programmes to ensure that graduates are equipped for the world of work. For example, academics teaching on marketing programmes should have more exposure to SME marketing practice through professional development training in SME marketing techniques and through regular contacts with the local SME community. HEIs should take a more proactive role in building and maintaining the relationships with the SMEs sector to ensure their graduates are equipped with the skills to work in the sector as it accounts for almost 60% of the overall private sector employment in the UK (BIS, 2010). Moreover, as there is a misconception of what marketing is and how useful it can be to support small business development, there are opportunities for HEIs to offer training programmes to SME owners and managers in order to promote marketing practice to support the wellbeing of their business. Building this close relationship with SMEs will develop mutual benefits to both the graduates and SMEs. It will help inspire students to work for the sector and SME owners/managers will have a better understanding of the students’ curriculum and skill sets, and may be motivated to employ them.

Implications

From a critical perspective, our research suggests that the perceptions of graduates and SME owners about each other are negative. Graduates in our study did not view SME jobs as their primary career options and on the other hand, SME owners did not view graduates as employable in that they perceived that they are not equipped with the understanding, knowledge and skills that fit SME practice. If we are suggesting the importance of updating the traditional marketing curriculum to build in more relevance to SME practice, a solid justification is required. As the typically large endowment gifts and donations come from large enterprises, then, what incentives are there for faculties to serve SMEs? We adopt an emerging debate in this study, called the Triple Helix of University-Industry-Government Relations (Etzkowitz and Leydesdorff, 2000), as discussed earlier, to guide the discussion of our justification of these questions. Our argument stands firm on the need to reflect on the traditional role of education which focuses on developing graduates to serve the industry.

Large enterprises were viewed as the prime source of job generation and economic development and University curriculum was primarily designed to serve their needs. However, this view changed in the late 1970s when the significance of SMEs as important sources of job
creation and economic development gained acceptance in the US and later across the world (Bridge et al., 2003; Matlay, 2005, 2006). This led to the boom of SME and entrepreneurship research, curriculum development and courses in small business management and entrepreneurship degree/courses found their places in many universities across the world. However, if these courses, electives or degrees are not compulsory for every student, then those who exclude themselves from these SME related courses and opt for a more general business and marketing degree will be less well equipped to meet the industry needs (particularly the needs of SMEs) and have narrower career prospects compared to those who are exposed to the knowledge, skills and insights related to both large firms and SMEs.

The growing UK graduate market is creating strong demand for graduate employment and as noted in this paper, the UK government is under pressure to stimulate job creation. Nevertheless, SME owners do not view graduates as being employable and graduates do not value SME jobs. Therefore, this paper uses the marketing curriculum as an example, to suggest a need to update its content to reflect the practice of both large and small and medium-sized enterprises. Such curriculum should build in knowledge and skills developments that relate to SMEs since they make up a significant proportion of the overall employment market and economic development of the UK. By doing this, graduates become suitable for employment in large, medium, small and micro enterprises, and will even gain the necessary insights that could lead to the creation of their own businesses. This strategy serves the needs of both industry and government to build stronger university-industry-government relations that aims to provide the knowledge and skills for graduates to enter industry.

Conclusion

This study sets out to explore the perceptions of SME owners and marketing students with relation to marketing practice and graduate employment in the SME sector. We contribute to knowledge by highlighting the commonalities and differences between SME owners and marketing students. At the start of this paper, we highlighted the issues of the marketing curriculum for over emphasising theories and skills that suit larger organisations rather than SMEs. The literature also indicates a range of misconceptions held by both SME owners and students that view both parties being less than optimum employers and employees. Our study confirms these aspects. This situation is critical because SMEs represent 59.4% of all UK private sector employment and if this situation persists, SME owners will continue to perceive there are few benefits in employing graduates and graduates will only value jobs offered by large firms.

In essence, we suggest that there is a need to update the existing HE marketing curriculum to reflect the business environment and unique characteristics of SMEs. For this reason, we aim to inform HEIs and policy makers that updating the marketing curriculum, as an example, can improve the employability of graduates in SMEs and argue that this will lead to the creation of more employment opportunities for graduates that could stimulate the employment market in the UK.

Limitations and Future Research

There are a number of limitations for this study. Firstly, some literature has identified employers’ needs (for example, Schlee and Harich, 2010), but limited studies have been carried out to compare how SMEs perceive graduates’ skills and how graduates perceive the career prospects in SMEs within the UK. This research has highlighted this aspect. Nevertheless, the
study is only qualitative and exploratory in nature and does not claim any generalisability. Further research can adopt a large scale quantitative design with a wider variety of respondents, including HEIs alumni and students with work experience in both SMEs and large enterprises to draw out statistical comparisons. Secondly, this study focused particularly on SMEs in the UK since this has been overlooked by many HEIs. A comparative study with investigating the business and marketing curriculum in the UK and other countries (for example, the U.S., E.U., Australia and Asia) could bring fruitful insights.

References


Kewin, J., Hughes, T. and Fletcher, T. (2010), Generation crunch: the demand for recent graduates from SMEs, CFE, London.


**Figure 1 – Conventional marketing curriculum and its misfit to SMEs practice**

[Diagram showing the misfit between conventional marketing education and SMEs practice]

Source: Adapted from Etzkowitz and Leydesdorff, 2000
Table 1 - How marketing is defined within small business context

<table>
<thead>
<tr>
<th>Quotes Derived from Interviews with SME owners / managers and students</th>
<th>Respondent</th>
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<tbody>
<tr>
<td>‘... providing the customer with the service they want’</td>
<td>Travel Agency owner</td>
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<tr>
<td>‘... selling your products onto other people.’</td>
<td>Restaurant owner</td>
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<tr>
<td>‘marketing for me is just marketing my products. I do a lot of advertising in trade magazines.’</td>
<td>Jewellery Wholesalers</td>
</tr>
<tr>
<td>‘We’re dealing with most of the people in the market on a one to one basis… actively engaged in networking and pushing for business that way.’</td>
<td>Switchgear Design owner</td>
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</tbody>
</table>
‘… so I thought it was more like... more like TV advertisements and like more of the big businesses…’

‘My idea of what marketing was about was just how to gain new customers, just how to... what the services are on offer, access clients and customers’

‘... Marketing was more direct marketing, so like advertisements on TV, campaigns where you see like on billboards and in magazines where they all have a consistent campaign...’

‘Basically the 4Ps or the 7Ps, I’ve been doing this since GSCE and that’s kind of the marketing mix and everything to do with that really’

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<th>Appendix I - Interview Questions for SMEs</th>
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<tr>
<td><strong>SME Marketing Practices</strong></td>
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<tr>
<td>- How is marketing defined?</td>
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<tr>
<td>- What marketing activities do you currently undertake? What about past marketing activities?</td>
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<tr>
<td>- How is marketing planned and organised (whose responsibility is it?)</td>
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<tr>
<td>- How is marketing being practised?</td>
</tr>
<tr>
<td>- How are marketing activities analysed?</td>
</tr>
<tr>
<td>- What are the barriers to marketing?</td>
</tr>
<tr>
<td>- What role does Marketing play in achieving the success of your organisation?</td>
</tr>
</tbody>
</table>
• How would you describe your management style (e.g. decision making, responsibility delegation, etc.)?
• What is the existing organisational culture (e.g. management-staff relationship, commitment, values, etc.)?
• What is your vision for the company?

**Perceptions of HE Marketing Curriculum and Marketing Graduates**

• What are your perceptions of the HE marketing curriculum (past & present)?
• Have you had experience of employing graduates in your company? (if yes, please tell us your experience, e.g. competency, knowledge, ability of students, etc.)
• To what extent do you think the curriculum prepare the graduates for future employment in SMEs?

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**Appendix II - Interview Questions for Students**

**Understanding of Marketing and Experience of SME Marketing Practices**

• How do you define marketing? (prompt)
• Why did you choose a SME as a placement opportunity
• What was your expectation of SME marketing? (prompt)
• What was your role and responsibility in the SME company?
• What were your experience of marketing in an SME? (prompt)

**Perception of HE Marketing Curriculum and SME Marketing Career Option**
• In your view, what could the university / business school do to help you (or other business students) to prepare for employment in SMEs?

• Do you think your SME experience has fulfilled your career aspiration? If so, in what way?

• How could working for an SME fulfil your career aspirations?

• Would you apply for jobs in the SMEs when you graduate and why?