SMEs in the UAE’s Creative Industries: Female Employees and Lax Marketing Efforts

Yaser Hadi

1 Blinks Studio, Marketing department, United Arab Emirates

Correspondence: Yaser Hadi, Blinks Studio, Marketing Department, United Arab Emirates. E-mail: yaser.hadi83@gmail.com

Received: August 10, 2015           Accepted: September 6, 2015     Online Published: October 28, 2015
doi:10.5539/ijbm.v10n11p122        URL: http://dx.doi.org/10.5539/ijbm.v10n11p122

Abstract
Small and medium-sized companies (SMEs) are often at the forefront of technological innovations, and the target of M&As for this reason. Most businesses are SMEs, as there are comparatively fewer large corporations. The marketing efforts at SMEs in creative industries differ from those of other firms, with efforts often involving customers in the process more frequently than in other types of businesses. In the United Arab Emirates (UAE), there is a thriving creative business community, especially in Dubai, the country’s largest city. A survey of three SMEs in creative industries in Dubai provides a glimpse of the business culture, struggles, and opportunities encountered by creative workers. These firms do not place much importance on marketing, which is surprising. This may be related to women’s’ low representation in these companies’ workforces, which are low even by UAE standards, though not as low as may commonly be believed.

Keywords: brand awareness, marketing strategy, small to medium-sized enterprises, United Arab Emirates

1. Introduction

Small and medium-sized enterprises (SMEs) play an important role in creative industries across the globe. Their attention on effective marketing strategies can often mean the difference between surviving, scaling up, or going under (like most businesses). Unlike their larger competitors, SMEs struggle with much greater financial resource limitations as they seek to spread their innovative products and ideas to the public. In the United Arab Emirates (UAE), SMEs in creative industries face these same challenges, but rather than finding a way to pay for marketing, they seem to show little interest in pursuing any such efforts. Interestingly, women are very under-represented in these types of SMEs in the UAE, which may play a role in the lack of attention given to marketing. In Western countries, marketing is typically a significant (and majority-female) division of business entities, even among SMEs with fewer resources. Making allowances for the UAE’s different culture, in which news about new products spreads through word-of-mouth more often than in countries such as the US, it seems that these SMEs are missing sales opportunities they might otherwise capture.

Marketing offers organizations an opportunity to increase their sales by promoting brand awareness, offering special discounts, and generally making the company more visible in the public eye. SMEs in the UAE appear to be deficient in implementing adequate marketing strategies. This study will describe SMEs and their marketing efforts in general, and then focus on SMEs in the creative industries in the UAE and the efforts, if any, they put into marketing. Additionally, this study examines the number of women working in these firms as a potential cause of their disinterest in marketing. Primarily, this study examines quantitative evidence to determine if there is a correlation suggesting a link between inadequate marketing efforts among creative businesses in the UAE and the limited number of women they employ.

This is a quantitative study of survey results from SMEs related to their emphasis on marketing and their number of female employees. The information was collected in four phases over an eight-month period, using 31 semi-structured interviews with a sample of SME owners, managers, employees, and clients of firms in Dubai (UAE). The data were interpreted for thematic analysis using the Qualitative Data Analysis software (QDA) NVivo (version 10).

Other SMEs can benefit from the findings by learning more about smaller UAE firms in creative industries and how their experiences may be similar or different from their own. This may particularly highlight the impact of
the proportion of women in their own work forces.

1.1 Background

The author’s personal experiences interacting with professionals in creative industries and working as a motion graphic designer indicate that marketing is not a priority for many SMEs in the UAE. This can have multiple negative consequences for businesses. If companies rely solely on the past customers’ positive experiences to create brand awareness without a strong accompanying marketing effort, there are sustainability implications because customers must first be aware of a product to form a related attitude and purchase intention (MacDonald & Sharp, 2003). Therefore, this study offers insights into why creative industries do not focus on brand management or generally neglect marketing activities. These observations and analyses can help SMEs recognize the importance of promoting their product, creativity in design to encourage greater use of their services.

1.2 Literature Review

SMEs represent a significant number of businesses. For example, approximately 99% of all European businesses are SMEs, with nine out of ten being micro-enterprises employing fewer than ten people (Pérez-Cabañero, González-Cruz, & Cruz-Ross, 2012). Marketing in SMEs tends to focus on the needs of the business, so they lack planned and controlled promotional activities, leading to the assumption that marketing in SMEs is simplistic, spontaneous, informal, reactive, haphazard, and built to correspond with industry values (Fuller, 1994; Parry, Jones, Rowley, & Kupiec-Teahan, 2012; Reijonen, 2010). Management thus chooses generalist marketing models that fit within the small organizational structure. However, Gilmore and Carson (2009) argue that the problems with marketing in SMEs are the lack of marketing expertise, inadequate cash flows, the size of the business, and challenges with customer relations.

Marketing in creative SMEs draws customer attention to the brand (Banks, Elliot, & Owen, 2003; Bilton, 2007). Because both marketing and brands will be discussed regularly throughout this paper, it is important to note at this point that branding and marketing are related but different business concepts. Branding may be considered strategic, while marketing includes the daily tactical efforts, or those executed over a months-long campaign, to build public recognition of the company and its products. The brand is a more concrete concept, built up over long periods through positive (or negative) customer interactions with the products or services associated with the company. Effective marketing can take a quality brand and inform more customers about it, allowing its reputation to grow and subsequently increasing sales and profits. The brand is more related to the quality of the product and its design, whereas marketing is concerned with publicity efforts. The brand produces a certain feeling in customers, such as a mental association with quality, innovation, or “coolness.”

Effective marketing involves advertisements or other methods of product promotion to elicit interest in use or purchases (Brown, Dacin, Pratt, & Whetten, 2006). Many researchers support the idea that marketing in creative SMEs impacts clients’ purchase intentions, attitudes, and emotional reactions and that creative marketing enhances brand recognition by potential customers (Drake, 2003; Elsbach & Bhattacharya, 2001). Further, Hatch and Schultz (2001) found that marketing in creative SMEs improves brand memory. There is a well-established effect through process variables such as the depth of processing, motivation, attention, and outcomes that include purchase intentions and attitudes (Curry & Moutinho, 1993). Albert and Whetten (1985) found similar results, showing the positive impact of marketing creativity on emotional reactions and consumer cognitive processes.

Developing a brand that customers recognize and appreciate is a crucial task for SMEs to defend their market share and attract new clients (Hutchinson, Donnell, Gilmore, & Reid, 2015). Businesses in creative industries must market their products and continually innovate to gain a competitive edge. The effectiveness of marketing strategies is linked to brand loyalty and performance (Hatch & Schultz, 2001). SMEs therefore need to spend sufficient time and resources developing effective marketing campaigns. Although this research focuses primarily on creative SMEs, creative marketing is just as important for businesses in all industries. A small company’s performance is determined by its ability to exceed customer expectations by offering high quality products and services (Alvesson, 2001).

1.3 Effects of Marketing on Brand Awareness for SMEs

Brand awareness is related to marketing, performance, and growth (Berg et al., 2007; Ghodeswar, 2008; Morgan, Slotegraaf, & Vorhies, 2009; Tuominen, 1999). Firms that invest in creative marketing to maximize brand awareness achieve better business performance than firms that fail to do so. Such efforts are an important building block for any successful business plan. Although there is some research into the effects of marketing for small firms (Andriopoulos & Gotsi, 2000), there have been no empirical studies on creative SMEs.
Whether creative SMEs that invest in marketing could outperform competitors that neglect marketing is still uncertain and the empirical evidence is mixed. However, it is reasonable to assume that creative marketing strategies would improve performance compared to a situation in which there are no investments in product marketing. Businesses with sustainable marketing activities have better profitability and growth than those without efficient means to promote their products (Balmer & Greyser, 2003).

1.4 Marketing Characteristics at SMEs

Marketing in small firms differs considerably from marketing in large firms (Amabile, 1983). Small firms can react more quickly to changing customer tastes and requirements than large firms: their size provides flexibility because their structures are less bureaucratic. Although large firms have resource advantages, they are slow to react to changes in the environment (Albert & Whetten, 1985). Creative marketing can generate a competitive advantage, enhance business growth, and help SMEs adapt to changing business environments (Andriopoulos & Gotsi, 2000).

For many SMEs, marketing efforts are either lacking or do not have a structured process. This applies especially to creative SMEs. In this context, Albert and Whetten (1985) evaluate the organization of marketing activities. In developing a marketing strategy, a firm allocates resources for marketing, which may be organized into separate product promotion methods. All employees appear to be responsible for marketing in small firms, although they may lack the necessary marketing expertise, leading to deficiencies and/or a lack of structure (Balmer and Greyser, 2003).

1.4.1 Marketing Budgets for SMEs

In general, small businesses are expected to spend 2-10% of their budgets on marketing based on information from small business advisory groups, including the US Small Business Administration (Apel, 2013). Other methods to calculate the appropriate allocation for marketing in SMEs include setting the figure on a percentage of product sales, such as devoting 10% of a successful new product’s revenues to its marketing, or trying to slightly exceed whatever the competition spends on marketing for their products (Apel, 2013).

1.4.2 Marketing Efforts by SMEs in Creative Industries

At times, SMEs in fields typified by such enterprises may partially eschew their marketing efforts and rely instead on a community of partnerships with other businesses to acquire sales. However, they rarely ignore marketing all together, and most acknowledge its importance. A study of creative industries in Taiwan found that many SMEs placed a high value on marketing efforts. One SME in the creative industries with just 200 employees had several marketing departments assigned to the international, national, and internet sectors (Jaw, Chen & Chen, 2012). However, this firm, Pili International Multimedia Corporation, produces DVDs in a rather niche area: hand puppetry shows. Another creative SME from Taiwan stressed the need to collect and implement marketing ideas gathered through social media contact with customers (Jaw et al., 2012). Overall, these firms took an innovative approach to marketing, and did not ignore it.

Müller, Rammer, and Trüby (2009) explored the theme of innovative marketing among SMEs in creative industries and found that this is a common characteristic of such companies. There is a special interaction between the users and producers from creative industries that determines the type of marketing used, and often what the products themselves are.

Guiliani Romano, a boutique fashion designer in Brazil, finds online marketing a critical aspect of marketing for her SME in the creative industries. She uses a strategy that promotes blog posts and other online publications to spread the word about her creations to potential customers (Romano, 2009).

Generally, SMEs in creative industries go about marketing in a creative way. Sometimes, a financial commitment to online advertising in particular can build value that greatly exceeds the actual amount of financial resources committed as word spreads through blogs and social media outlets.

1.5 Women in Creative Industries in the US

Women’s’ participation in the US workforce is noteworthy because it is the largest economic power globally and often creates economic trends that other nations follow. Women are generally under-represented in many creative industries in the US, but still make up a significant portion of the workforce in these fields. In 2014, they represented 18.1% of television, video, and motion picture camera operators and editors (“Nontraditional occupations,” 2014), a field discussed in the upcoming survey section 2.1 of this study. Women make up 20% of software developers and 25% of architects (“Nontraditional occupations,” 2014) and hold significant shares of other positions in creative industries, such as interior design.
2. Method

2.1 Survey of SMEs in Creative Industries in the UAE

To gain UAE-specific knowledge about creative SMEs and marketing, surveys were employed to conduct three case studies, which enable the researcher to closely examine data within a specific context by exploring the issue of interest through a detailed contextual analysis using a limited number of events or conditions (Zainal, 2007). According to Yin (2012), this approach investigates contemporary problems within their context, especially when the difference between the context and phenomenon may not be apparent and when multiple sources of evidence are needed.

2.2 Selection Criteria and Case Study Approach

The research took place in 2013, examining three companies located in Dubai, a major international media hub with a fast-growing economy and a large number of businesses in the creative media industry that make a recognizable contribution to the Middle Eastern economy and the Arab region. Additionally, the researcher has work experience in this industry in the UAE.

The companies were selected based on their business types because this study focuses on SMEs offering creative design as their main service, with the aim of partially addressing the general lack of research specific to creative SMEs. These companies offer a distinct product within the creative industries.

The case studies were also chosen for their ability to demonstrate that competitive advantage comes from design work based on highly customized creative design services that rely on employees’ knowledge, skills, and creativity. The firms selected for the case studies are SMEs with the following attributes:

- The companies are well-known for their creative design projects/projections in the UAE and in the region.
- Each company has an extensive number of successful creative designs.
- The companies have won awards for producing high-quality creative design services, as noted in the media and acknowledged by their competitors and clients.
- The companies earn income by providing creative design services.
- From the onset of the study, the companies granted access for interviews, including follow-up sessions. This access extended to executive directors, management, and other employees, including new recruits.

The three organizations are described as follows:

- Interior design services: The company has 15 years of experience in the advertising industry and was the largest of the three firms with 183 employees and managers in Dubai and approximately 220 others within the UAE at the time of the interviews. The owner leads the organization at the top, followed by a board of senior directors, followed by divisional directors, divisional managers, supervisors, and senior interior designers. The lower level includes junior interior designers, engineers, and other team assistants.

- TV Commercial production services: The organization has operated for approximately seven years at the time of the interviews, providing commercial video advertising services. It has 61 employees, including 2D and 3D animators, filmmakers, video editors, video directors, audio composers, studio engineers, administrative support, and two managers who co-own the company.

- Graphics and printing services: This company had been in the graphics and publishing industry for almost three years at the time of the interviews, and had 19 employees plus administrative staff and the owner, who also runs the company. The organizational structure was horizontal, with one supervisor reporting directly to the owner, and the remaining employees consisting of senior and junior graphic designers and a few machine technicians.

2.3 Data Collection

The data were collected in four phases over a period of eight months using interviews, which provided the opportunity to obtain in-depth information about the participants’ experiences, beliefs, knowledge, motivation, and attitudes (Gill, Stewart, Treasure, & Chadwick, 2008). The interviews were semi-structured, an approach that is sufficiently structured to address specific parts of the research question but allows for participants to provide new meanings to the study topic (Galletta, 2013). The first phase occurred after obtaining permission to attend meetings between case study participants and their clients to take notes while observing their interactions. The last three phases collected data from 31 interviews with the companies and some of their clients.

The interview sessions were recorded using a digital audio recorder and two small-wired microphones to capture the conversation between the interviewer and interviewees.
The first phase of the study consisted of collecting notes during meetings that provided broader insights into how these companies market their brands to their current and prospective clients. In some meetings, brand managers interacted with and presented to new clients, while in others, products were marketed to regular clients. Current and prospective clients included senior members of some well-known international corporations based in the UAE. All notes from this phase informed the second phase.

The second phase involved in-person interviews with all three organizations. These took place once a week or once every two weeks, depending on interviewee availability, and were suspended for 30 days during the Islamic holy month of Ramadan. The second phase lasted several months because it involved developing new ideas and questions for the subsequent interviews. All interviews took place on company premises.

The third phase was intense compared to the second phase and included interviews with previous interviewees (managers and employees). This phase involved deeper questions and the interviewees were requested to provide further explanations of some of the issues raised during the interviews. The dates of the subsequent interviews were determined at the participants’ convenience.

The fourth phase took place a few months and included interviews with loyal customers of each firm over the course of several weeks at locations mostly determined by the interviewees. For example, two clients chose a public place for the interviews. The interview structure was deliberately informal to help the participants feel at ease so they would be willing to provide detailed responses. The fourth phase also included a new element in that some participants did not understand English or had a basic knowledge of the language. Interview sessions for these participants were conducted in Arabic using the same questions as the English format so the participants could express themselves freely.

![Diagram of the interview process](image)

Figure 1. The interview process

The interviewees responded to a questionnaire with five sections: introduction, marketing, clients, competitors, and financial matters (second phase). The questionnaire in the third phase comprised four sections: marketing,
brand awareness, clients, and financial issues. The same group of participants that answered the first questionnaire were part of the third phase, to avoid repeating the introduction. The fourth phase contained both the introduction and questions related to the clients’ relationships with the brands. Notably, some questions were repeated as a way to confirm the participants’ views on the subject area, such as how companies attracted customers and their marketing practices to reach clients.

When appropriate, the interviews contained relevant follow-up questions for clarification. For example, a question in the first phase related to how much marketing knowledge meant to the participant, with follow-up questions related to what the participant felt about learning about marketing and whether it was important for them. Another example is a question about competitors with follow-up questions focusing on whether the participant noticed the marketing methods used by the competition and learned from their strategies, as well as the differences between their approaches compared to their competitors. The second questionnaire had a larger section on financial matters constructed using the first questionnaire as a baseline to address any gaps in the first questionnaire or provide clarification as needed.

The three questionnaires provided adequate information about what the employees and managers felt about their organizations in terms of marketing, brand awareness, competition, and financial soundness.

2.4 Transcription, Coding, and Themes

The interview data were collected verbatim and recorded in audio files. The transcription yielded approximately 175,000 words from all four interview phases. The transcripts were in English because the interviews in the first three phases were in English, except for four client interviews conducted in Arabic, which were subsequently translated into English sentence by sentence. The translation and a copy of the audio files were sent to a reputable translator in Dubai to check their reliability.

The transcripts were imported into the NVivo (version 10) software package, which contains a set of tools that increases the effectiveness and efficiency of qualitative data analysis (Edhlund & McDougall, 2013). The translated documents were modified according to the comments provided by the translation center and transferred into NVivo. This tool can record, sort, match, and link data without losing access to the data source and its context (Bazeley & Jackson, 2013). NVivo aided in the analysis process through coding and thematic network analysis.

The interviews were organized into categories by linking each question or issue to its original audio file. The early encoding stage used line-by-line analysis to create 184 initial codes from material. The relationships among the codes were then identified based on the questions and issues noted from the interviews regarding the importance of marketing for the company. Additionally, those that appeared as a common code in three or more individual interviews were selected for further analysis and discussion, leading to a final selection of 38 codes structured into thematic network maps by themes and sub-themes. Themes related to particular issues were identified and connected to form three main themes that ultimately encompass the principal metaphors found in and supported by the collected data. Figure 2 illustrates how the data were analyzed.
2.4.1 Inter-Reliability Judgment Checks

After coding, the files were sent to two academic researchers from the UAE University to confirm and provide feedback about the relevance of the generated codes. First, the researchers checked the degree of agreement between the generated transcripts using NVivo (version 10) and imported all data into NVivo to check the relevance of the codes against the transcripts. The coding method proved to be an accurate representation of the data.

3. Results

3.1 Interviews

The literature clearly identified the need for creative SMEs to have engaged in adequate marketing efforts to draw attention to their brands and create awareness that could lead to purchases (Banks et al., 2003; Drake, 2003; Brown et al., 2006; Bilton, 2007). The survey results indicated that creative SMEs in the UAE did not feel the need for such marketing efforts.

Some of the managers/owners and employees previously worked for much larger corporations before joining the SMEs examined in the case studies. The owners were also creative brand designers. Their clients were brought in through a referral system based on older clients. From the three groups of owners/managers, employees, and clients, it was possible to identify whether SMEs were using useful strategies to promote brand knowledge or market their brands.

3.1.1 Brand Marketing Strategies

The interviews revealed that the companies understood common business practices, including promoting brand awareness. However, the SMEs had a poor understanding of the importance of marketing for creative firms given that they deliberately focused on creating contact with clients at a local level. The interviews indicated that the companies recognized their missing business knowledge, resulting in a lack of varied marketing activities. This highlighted that design companies, and small businesses in general, need to connect with potential clients and get to know them through other satisfied clients. These companies emphasized the importance of establishing relationships with clients as an essential part of their marketing activities. Networking meant that the businesses could create connections in the market and expand their base to create brand awareness.

It also emerged that the companies did not focus on outright marketing campaigns. Essentially, their marketing activities did not have brand awareness as a goal. The companies also did not see a “marketing department” as a necessity because they believe that establishing connections with other businesses is actually their marketing tool, considering this their primary method to reach potential clients. As noted by one of the manager/owners,

“...we are not experts to promote our business in strategic way like other huge corporations do ... marketing for us doesn’t work that way ... we don’t see ourselves like that ... we simply aim for strong relationships with businesses ... true we are not much experts in it, but I see it works for us pretty well ... and for many other companies as far as I know.” Senior manager (Interior design services).

It was evident that the managers compared their activities to those of larger corporations and felt that they did not need a similar approach to marketing, but should rather continue developing connections and networking as their primary marketing method. These companies did not explore alternatives or strategic marketing methods to attempt to expand brand awareness. To ensure longevity, management focused on winning the loyalty of large, wealthy clients to form a base of regular customers willing to pay higher prices rather than looking for other ways to expand their clientele. A company owner of the TV commercial production service firm jokingly asserted that,

“... big guys are our target ... if we can reach up [to] many of them, then, yes we go for it ... big guys are willing to pay more for [the] best projects ... you see ... they benefit and we benefit ... and this is business ... I wouldn’t be able to change my old Toyota with a new Mercedes ... you see ... Marcello who is my company partner finally got married in his dreamland “Maldives” [ laugh ] ... so I say yes, we care to bind mostly with that type of clients ...”

A factor that limits SMEs’ financial resources for marketing is the fact that to survive and prosper in the early stages of startup and growth, SMEs are often forced to operate as “price takers” rather than “price setters” (Navickas, Škačkauskienė, & Navikaitė, 2014). This was a common practice among the SMEs examined in this study because they have little control over their external environments and compete with bigger brands (Grant, Hackney, & Edgar, 2010). Thus, despite having potentially stronger and more direct relationships with their clients, they may have to accept lower prices. The reliance on referrals from other clients also keeps the
organizations working within a routine, as any disruptions risks their customer base. However, they may have opportunities to set prices in certain instances. Sometimes, an SME’s large, lucrative clients will be willing to pay more, especially if the company provides unique services to win their loyalty. Examples of such instances would include SMEs producing TV commercial videos or interior designs for houses.

The results indicate that large clients maintained their relationships based on the success of these SMEs’ creative works. When the SMEs expand their client base to include many wealthier clients, customer loyalty to their brand helps to maintain a close relationship. However, the results also indicated a risk that obtaining a significant number of big clients might lead to complacency because the company could feel satisfied with its current base and might not obtain new clients.

Another approach to attracting clients is employing people with an established creative base. It was evident that management preferred to hire creative employees with client-based experience rather than just creative employees because creative skills alone cannot necessarily address challenges from competitors or aid in survival. Therefore, management preferred employees who were creative but also had great interpersonal skills and a record of success in client relations. This is a disadvantage for creative employees without direct experience with clients. However, this hiring distinction has proven successful for SMEs looking to expand their client base because it decreases the pressure on the managers responsible for finding new clients. Employees with client relationship skills can also grow into higher positions, such as that of client relationship manager. The data indicated that this was a common trend among creative SMEs, “... no need for academic business qualifications as long as you’re good at pulling new customer[s] over here ... our managers see this quality as mandatory when hiring employees unless that employee is extremely good designer ... I remember when I brought my first three clients in just two months since my start here... our team leader was very impressed and asked me if I can handle [the] client-relation department since there was only him back then ... not many designers I know are interested in handling clients ... normally designers hate dealing with that job but few do.” 3D animator (TV commercial production services).

3.1.2 Motivation from Creativity

The drive to work and meet client needs and organizational goals is essential in creative design. Employee motivation is a critical responsibility for managers inside creative SMEs. The study showed that working with passion, possessing a desire to learn new ideas, and having an inspirational drive were all core characteristics of employees capable of producing the uniquely creative works these companies offer. These are all traits that expert designers across all fields could be expected to have. Employees were driven by both creativity and the presence of managers who appreciate teamwork and motivate groups to explore new ideas that will further the company goal of generating a consistently creative atmosphere. This type of manager-employee relationship was very recognizable at these firms, with supervisors encouraging their creative designers and allowing them to test, experiment, and create new design concepts. There was a congenial relationship between managers and designers.

Earlier studies note that both internal and external encouragement of creativity are useful in driving creative designers (Kreitler & Casakin, 2009). Furthermore, employees can be more creative if they are designing for a known client rather than a faceless customer (Grant, 2011) and SMEs provide an environment where designers have connections with the customers. Among successful creative SMEs, their creativity set them apart and made them the best choice for their clients. One senior designer noted in the interview that, “... it’s the dedication to be distinguished ...every time we come up with a decoration concept, great work attracts customer[s] ...every designer in here is devoted to come up with a new design concept ... it all comes down to creativity and knowing how to WOW [the] customer! ...it’s what brought us to this stage of success.” Senior designer (Interior design brand).

However, despite the positivity that a focus on creativity can bring to creative SMEs, it seems that the overwhelming majority of employees and managers were motivated by creativity, with little attention to marketing. This limits the potential for business expansion and even survival.

Competition was another motivator among the successful creative SMEs. High competitiveness comes from fear of losing clients to other creators. Because these businesses are focused on large clients, the loss of one client can have implications for their entire portfolio because it usually means the loss of a large client and likely their future referrals. Because the competition is intense, managers focus heavily on obtaining more large clients. Despite the drive to remain competitive, managers failed to focus on planning marketing strategies for their
companies, such as studying their competitors’ customer bases. It seems that managers were more concerned with learning about their competitors’ creative projects or creative concepts rather than studying them at a much deeper strategic marketing level. Understanding the competition is critical to gaining a competitive advantage because it facilitates identifying strategies that can enable the company to protect itself from competitors (Smuts, van der Merwe, & Loock, 2010; Fisher, 2008; von Stamm, 2008). This can be a serious problem among many creative SMEs and stems from their lack of business knowledge.

All three case studies indicated that managers did not seek ways to ensure the loyalty of their big clients, such as through membership services and discounted or free offers. The results indicated a general disinterest in exploring other ways to compete strategically, and the absence of a marketing department was a key factor in this. One interviewee noted the SMEs’ interaction with the competition stating that,

“… spending time planning ... testing ... developing ... along with experimenting modifying here and there ... if you ask me why all is that? I’d tell you we need to excel not just to succeed ... everyone knows that competition can be painful ... and top competitors can bring to the table new cool ideas ... we need to keep our eyes open ... all of them are just hungry to win our clients.” Senior manager (Interior design services).

All cases and interviews demonstrated that creative companies influence each other not only through their creativity but also in terms of management practices. Competitive analysis focused on creativity rather than other means of differentiation. Although design and creativity were essential for the companies to meet their clients' needs, they also need to examine how to compete effectively.

3.1.3 Barriers to Continuity

While some creative SMEs are successful, their life cycles are often short. Even if they are successful in creative work, they may be bought out by larger corporations with better established departments and experience in strategically managing the economy and market. One challenge affecting creative SMEs relates to finances. Based on the data collected from all cases, finance departments encountered financial issues from what they referred to as “dry seasons,” when the company does not receive many orders during random periods of the year that could last for months, and when the lack of clients becomes noticeable. Financial problems can occur among creative SMEs because they may depend on certain clients and may not plan for this type of event. As noted by a company owner in the interview, management fails to take precautions:

“... sometimes it’s just not working out the way we want it to be ... our dry season lasted almost 3 months and we were almost broke ... we spent almost all revenue on rebuilding our company, and I was expecting new orders coming on the road as usual... but they were cancelled! ... we never had this before ... it was [a] terrible period ... we couldn’t pay bills ... I was shattered ... I didn’t know what to do ... I decided to get some bank loan[s] hoping my phone would ring with good news ...” Company owner (TV commercial production services).

When SMEs are unable to address financial challenges, they sometimes chose to sell to larger, financially healthier corporations. Managers and owners who lack business knowledge and financial decision making skills struggle to make strategic decisions, which could sometimes ruin their businesses. Unsurprisingly, it was noticeable that most of the creative SMEs in the UAE that go bankrupt are small rather than medium in size. The lack of planning for these scenarios led to situations where employees discovered that their company was for sale without any prior notice, as noted by one designer,

“... one morning my boss gathered up all of us ... he said that **** would buy our company ... we all were devastated and depressed to hear that ... he gave us the choice to stay with the company that would take over or to leave ... but gladly this didn’t last for long ... he called us few days after ... saying he borrowed a load of cash from one of his relatives ... I didn’t care how he did it, I was just happy to hear the news.” Junior designer (Graphics & printing services).

Another issue was managers’ lack of confidence in making financial decisions involving expenditures on marketing campaigns that could create brand awareness. It seems that marketing campaigns were not a normal activity among creative SME managers. They seem to have little interest in exploring methods to expand the client base through marketing campaigns because some managers are against this due to their fear of failure:

“... it’s not what some people think ... I admit I’m no[ti] experienced in doing some campaigns ... I can’t trust hiring a marketing expert to do the job because who can guarantee me that this guy won’t fail me ...” Company manager (TV commercial production services).

The barriers to growth seem related mainly to the inability to plan for success, or failing to plan for downturns, such as if the company loses some clients or fails to attract new ones. The end result is the sale of the company to a larger corporation.
3.1.4 Future of Creative SMEs in the UAE

The survey clearly showed that creative SMEs in the UAE have a strong position in the creative industries. These companies provide customer-centric services because they are able to connect with customers, especially relative to large companies. Because they try to work directly with their clients to fulfill their needs, they depend on large clients for feedback and referrals. However, these firms lack effective marketing strategies, focusing instead on a few big-spending customers. For example, the interior design services and TV commercial production services firms spent nearly all their time keeping a few big clients happy, even though they had a considerable number of smaller clients (who, with an effective marketing campaign, could generate considerable sales).

The graphic and printing services case indicated a tendency to accommodate both loyal and non-loyal clients because the company needed financial stability. The company completes many projects for both regular and occasional clients: 40 and 39.5 per year, respectively. Despite these large numbers, it was not evident that the company pursued identifiable marketing strategies. Furthermore, it had two main clients. The other two companies had fewer projects with both regular and occasional clients, but higher revenues. The implication is that within the creative industries, companies often put blinders on for all but their most lucrative clients. Because creative products are expensive, this has a certain logic to it, but it means that companies are not taking advantage of all potential growth opportunities.

In line with previous studies, this survey showed that marketing is something that these SMEs spend less on as a percentage of sales than larger companies, although the group of managers and employees interviewed suggested that the companies barely undertook such endeavors. Earlier studies indicate that SMEs sometimes neglect marketing more than they should (Balmer & Greyser, 2003). Previous work also demonstrated differences between large and small firms, and the lack of marketing structures at SMEs (Hill, 2001; Parry et al., 2012). This survey found that marketing expenses were a key factor in SME decision-making on this topic.

The survey also found that creative UAE companies focus on the big projects capable of bringing in large amounts of money for a single project, which supports previous research indicating that marketing at SMEs fits with their own needs, sometimes leading to reactive and spontaneous actions (Fuller, 1994; Parry et al., 2012; Reijonen, 2010). This view could help explain why the third case study company pursued many projects with both regular and occasional customers. The company needed to establish financial stability, especially after facing three financial crises and two possible acquisitions. Managements’ role is to identify models to ensure that the company remains viable (O’Dwyer, Gilmore, & Carson, 2009). The other two case study companies remained within the expected spectrum of dealing with a limited number of loyal customers.

3.2 Key Survey Data

There were 31 interviews with owners, senior managers, creative senior experts, designers, and clients. Table 1 presents the number of interviewees from each service group.

<table>
<thead>
<tr>
<th>Interviews</th>
<th>Owner</th>
<th>Senior management</th>
<th>Creative experts</th>
<th>senior</th>
<th>Designers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior Design Services</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Commercial Production Services</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Graphics &amp; Printing Services</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Interview with clients</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
</tr>
</tbody>
</table>

As shown in Table 2, the interior design services case had the highest participation rate, at 32.26% of employees. This medium-sized company had the most employees, with 180 people located in Dubai and another 220 located in other areas. Table 2 summarizes the characteristics of the three companies involved in the study.
Table 2. Case study description

<table>
<thead>
<tr>
<th>Company</th>
<th>Size</th>
<th>Employees at headquarters</th>
<th>Employees at other branches</th>
<th>Female employees</th>
<th>Owners</th>
<th>Directors</th>
<th>Sub-managers/ Creative Experts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior Design Services</td>
<td>Medium</td>
<td>180</td>
<td>220</td>
<td>7</td>
<td>1</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Commercial Production Services</td>
<td>Small</td>
<td>61</td>
<td>None</td>
<td>None</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Graphics &amp; Printing Services</td>
<td>Very Small</td>
<td>19</td>
<td>None</td>
<td>None</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

As the largest organization with the most managers, the interior design services organization provided the largest part of the sample. The other companies made up the remainder of the sample. All were based in Dubai.

The strength of the interior design services company is also reflected in its client portfolio. The interviews revealed that the interior design services firm focused on obtaining loyal clients that could pay for its services. The managers and employees were of the opinion that the creative industries in Dubai are very expensive. For example, television commercial service firms and interior design service firms charge a lot of money. Their work is usually exceptional and thus customers are willing to pay. Table 3 reports the average client numbers for each firm.

Table 3. Average number of clients

<table>
<thead>
<tr>
<th>Companies</th>
<th>Loyal clients</th>
<th>Annual average of other clients</th>
<th>Average total clients (loyal and non-loyal)</th>
<th>Annual average deals with loyal clients</th>
<th>Annual average deals with other clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior Design Services</td>
<td>6</td>
<td>9.2</td>
<td>15.5</td>
<td>16</td>
<td>8.5</td>
</tr>
<tr>
<td>TV Commercial Production Services</td>
<td>4</td>
<td>16.5</td>
<td>20.5</td>
<td>18.5</td>
<td>16.5</td>
</tr>
<tr>
<td>Graphics and Printing Services</td>
<td>2</td>
<td>21</td>
<td>23</td>
<td>40</td>
<td>39.5</td>
</tr>
</tbody>
</table>

The number of clients reflects the firm’s focus. For example, the interior design service firm’s focus is on generating business with loyal clients, which explains why it generates fewer projects (8.5) with its relatively higher number of non-loyal clients (average of 9.2) compared to the average of 16 annual projects with loyal customers. The results for the TV commercial production services indicates a focus on loyal customers, which is similar to the interior design company, and shows a high number of projects with loyal clients. The third case, of a graphics and printing service firm, showed a different trend, in which the focus was on obtaining clients that are able to pay for its services. This is because the company faced financial crises three times in the past and nearly sold out twice. Therefore, this firm’s financial viability relied on both loyal and occasional clients that were willing and able to pay for its services. The other two companies experienced fewer financial crises, as shown in Table 4.

Table 4. Company financial status

<table>
<thead>
<tr>
<th>Company</th>
<th>Current financial health</th>
<th>Number of financial crises</th>
<th>Exposure to possible sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior Design Services</td>
<td>Stable</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>TV Commercial Production Services</td>
<td>Stable</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Graphics and Printing Services</td>
<td>Stable</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Figure 3 illustrates the case study firms’ financial status. The first company, established in 1998, had not faced the risk of acquisition despite having experienced two financial crises, and remains financially secure, with an annual income of $1,800,000. The second company, established in 2006, has been exposed to one potential acquisition but remains financially stable, with $1,000,000 in annual income, despite having experienced two financial crises. The third company, established in 2010, has faced more financial crises despite its relative age
because of poor decision making, but its financial status remains positive, with $600,000 in annual income.

The companies appear to be doing well financially, with the first and second companies showing strong income compared to the third and youngest firm. Much of their current financial stability stems from their high-quality services, for which they can charge premium prices. For instance, the TV commercial production services company normally charges a minimum of $3,000 “per video second” on 30-second video commercials for post-production editing, or around $80,000 for adding visual effects and not including filming. Prices can exceed this for wealthier clients.

3.3 Quantitative Analysis

After collecting a considerable amount of qualitative information from employees and managers of creative SMEs in the UAE, an effort was made to analyze these data for information to address the research questions: how many of the businesses in question placed a high value on marketing, and how many women were included in these firms’ workforces? The survey collected some quantitative data, and though these are unable to prove causation, they can illustrate a strong correlation between the great disparity in the numbers of men and women at these firms and the scant attention paid to marketing strategy.

The results show that among the firms interviewed in this study, no companies place a high value on marketing. One company did occasionally devote a few hundred dollars to a pay-per-click marketing effort on social media outlets. Otherwise, marketing did not play a significant role for these businesses.

Table 5. Marketing among the surveyed creative firms

<table>
<thead>
<tr>
<th>Marketing strategy a high priority</th>
<th>Interior Design Company</th>
<th>TV Production Firm</th>
<th>Graphics &amp; Printing Business</th>
<th>Percent of companies in question for whom these methods are not a priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>No</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Some minor marketing efforts via social media</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>67%</td>
</tr>
</tbody>
</table>

Table 6. Workforce demographics

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>Percentage Men</th>
<th>Percentage Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior Design Company</td>
<td>393</td>
<td>7</td>
<td>98.25%</td>
<td>1.75%</td>
</tr>
<tr>
<td>TV Production Firm</td>
<td>58</td>
<td>3</td>
<td>95.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Graphics &amp; Printing Business</td>
<td>19</td>
<td>0</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Women were very under-represented at all companies, representing less than 5% of the total workforce at any of the organizations, and the smallest firm employed no women at all. Interestingly, at the largest SME in the creative industries with 400 employees, only 1.75% of workers were women, a much lower level than at the TV
production company.

4. Discussion

Although one could argue that in the UAE, as in many Middle Eastern nations, women normally make up a minority of the workforce, recent surveys show that female representation at these companies is well below the national average. One report showed that 40% of employees in government institutions in the UAE were women (Coleman, 2015), and another claimed that fully 25% of all workers in the nation were female (McMeans, 2010). Therefore, it seems unusual for a 400-employee interior design company to have a workforce in which only 1.75% are female, as this would place them firmly in the category of a medium sized firm, and a company of this size in Western nations would be expected to dedicate some resources to marketing efforts.

While not as clearly associated with the creative segment of the SME classification, a somewhat smaller firm from Denmark, Montana A/S, which specializes in “innovative shelving solutions,” made much greater efforts to market its products (Lassen, Kunde, & Gioia, 2013). Although it has only 200 employees, the firm’s advertisements are recognized by 80% of Danes who had not purchased anything from them, and by 85% of those who had (Lassen et al., 2013).

An Italian SME, SPQ Cucine, employs 120 workers, and spends significant amounts of time assessing its market position and developing benchmarking strategies to position itself in the most profitable manner. The company appraises all its distributors every two years and focuses on sales performance relative to targets. It investigates which distributors exhibited the best and worst performance in selling its products to better understand which methods create the most success (Naylor, Hawkins, & Wilson, 2000).

Most SMEs globally are doing more to market their products than creative SMEs in the UAE. This can be attributed in part to cultural differences and the fact that creative SMEs potentially pay somewhat less attention to marketing than other SMEs. However, this does not provide a full explanation, especially when this lack of attention to marketing extends even to a firm with around 400 employees. A manager at this firm described only spending a few hundred dollars on internet advertisements. This differs significantly from the focus on marketing found at other creative SMEs examined in the research.

The lack of effort dedicated to marketing may be related to the fact that there are not enough women in these firms. In the US and other Western countries, 57% of marketing jobs are held by women in the US (“Occupations by Gender,” 2011). If UAE creative SMEs employed more women, it could change organizational attitudes from focusing only on operation in a male-dominated culture, to appreciating a complete picture of the business such that marketing strategies play an important role. The results suggest a correlation between these two facts, although there is no causal evidence.

5. Conclusion

5.1 Limitations

The surveys provide a window into a nation that most readers will not have much information about. The personal stories and experiences of creative workers in small and medium-sized UAE industries are valuable and worth reading as first-hand accounts. Nonetheless, there is not enough evidence in this study to prove a causal relationship between the habitual neglect of marketing among firms of this size in the UAE and the underlying factors that have created this environment.

The surveys do not contain marketing budget information, which could be compared to that of other firms. It may be that the UAE’s culture, in which word-of-mouth plays a greater role in spreading information about great products, also limits spending on marketing. The analysis of the underlying survey information was further limited by the lack of support for the Arabic language in most Quality Data Analysis software.

5.2 Suggestions for Further Research

The strong correlative evidence suggests that more research could be conducted on the link between female employees and marketing to discover whether this is a causal relationship. Is there less marketing in nations where women are less involved in the workforce? Another avenue of investigation could be a side-by-side comparison of SMEs in non-creative industries to SMEs in creative industries that specifically examines marketing budgets. This might provide evidence that SMEs in creative industries generally neglect marketing budgets more than other SMEs, although undoubtedly most creative SMEs spend more than those in the UAE.

5.3 Practical Implications

Hiring more women, including in marketing positions, should help these SMEs gain more clients. While
outsiders may view the UAE as male-dominated, this is only true to a certain degree, as about three of out every four university students in the country are female (McMeans, 2010). This represents a potentially large pool of skilled, technologically savvy clients that many SMEs in creative industries are looking for. Adding at least some women to the company, including in positions involved in creating marketing schemes, could very well turn many inside this group of educated UAE women into regular clientele.

Perhaps with more women on board, SMEs in creative industries will identify appropriate marketing strategies. As noted in the interviews, the companies sometimes faced challenges with funding, as marketing may be prohibitively expensive. However, there are other ways to reach potential clients, such as through promotional offers and discounts, which are not so expensive and are based on generating a sale.

Managers at SMEs would also benefit from knowing their firm’s competitors, as discovered by SPC Cucine while developing its benchmarking strategy (Naylor et al., 2000). Marketing research can help companies determine how best to make a profit in their existing environment.

In addition, SMEs must broaden their target group beyond large companies that can bring in big portfolios, as small companies can also contribute to growth and augment contracts with big companies, as they will require ongoing work to grow. Smaller SMEs are better placed to meet the design challenges presented by other small firms, and understanding these clients provides more opportunities for growth through strategic marketing. While creativity attracts clients, companies can also benefit from strategically identifying nontraditional clients and encouraging them to stay.

The surveys highlight the marketing-related challenges small businesses face, especially those encountered by the small firm in the third case study and how it promotes its products within an industry that generally focuses on providing expensive products to a limited group of customers. One potential course of action is to identify how to aggressively promote products beyond the current status quo for its own benefit rather than for the sake of the industry. Such a model could help companies avoid financial crises. The three firms in the case studies have all faced a financial crisis at some point, so the industry needs a structure to grow, attract and retain clients, and expand its services.

The survey focused on companies offering expensive services that exclude smaller clients that could benefit from their products but may not be able to afford the very high prices. Creative SMEs could create a growth structure that recognizes the opportunities presented by both large and small clients, perhaps by investigating the viability of offering alternative smaller-scale products outside the current focus on big deals and provide a broader spectrum of operation for the industry. Creative firms can conduct research to determine the impact of such an approach. It would then be possible to build clientele without compromising quality using innovative methods to integrate smaller client projects in a schedule dedicated to work for larger clients.

References


Copyrights
Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/3.0/).