QUANTITATIVE MARKETING RESEARCH 
ON BEHAVIOR OF THE SMALL AND MEDIUM COMPANIES ON FINANCIAL ADVISORY SERVICES

L. DUGULEĂNĂ¹ C.M NICOLAE²

Abstract: This paper presents the results of quantitative marketing research conducted among small and medium enterprises in Brașov County. The research identified organizational elements of the consumer behavior in the use of the financial advisory services. The objective is to determine whether there is association between firm size and the number of financial advice services outsourced. Results of the study will be based construction of the price policy for financial advisory firms, tailored to the financial constraints faced by small and medium enterprises in Romania.

Key words: financial advisory, marketing, quality, service, SME.

1. Introduction

The researchers in the financial sector study acquisition and allocation of the resources taking into account the associated risks. If the prior period financial economists took into account psychological influences, recently the focus has shifted from the social sciences to the models developed by natural sciences. In the natural sciences sense the universe is perceived as following the laws of the natural order. In this vision, financial decisions are usually modeled based on assumptions on behaviors of the individuals and the markets. [1]

Often business decisions are taken without having enough information to make smart choices about the future direction of the company. Therefore, the research is extremely important to understand market opportunities, potential sources of income, needs and desires of the customers and competitive advantages. [17]

The research focused on business to business domain, for the selection of the respondents, the literature recommends the compliance with certain requirements. Thus, it is necessary to interview those respondents who can speak for the company. Researcher must identify which is the title / position / role of the individual within the firm relative to the subject of the investigation. It will establish the necessary skills and knowledge for the interview and if they interviewed decision makers in the company or just those who use the products or services studied. Then, it proceed to identify the respondents in the structure of the investigated company. [14]

¹ Dept. of Management and Economic Informatics, Transilvania University of Brașov.
² Christian University Dimitrie Cantemir of Brașov.
From previous research conducted among financial advisory firms in Brasov County, resulted that it not know enough information about the organizational consumer’s behavior ranging from small and medium enterprises (SMEs).

To identify behaviors of the small companies that use financial advisory services, it performed a quantitative marketing research. Issues addressed include:
- views on the outsourcing of the services;
- the decision-making within the organization on outsourcing;
- highlighting the main financial advisory services outsourced through the importance given by the respondents;
- criteria for choosing financial advisory services;
- highlighting the selection criteria for providers of the financial advice;

The research instrument is the questionnaire.

Financial advice is the activity of rendering of advice or financial assistance in return for remuneration, by a licensed professional, according to legal regulations. In Romania, as well as in European Union or United States financial legislation specifies the methodology of recording the activity, of making activity reports and the consultants’ responsible for the services they render.

Only consultants authorized by state institutions or professional bodies in the financial sector can accomplish specific tasks such as recommendation or selling insurance policies or providing advice on taxes. The best known companies in the world, in the field of financial consulting, are those in the "Big Four Group": PricewaterhouseCoopers, KPMG, Ernst & Young and Deloitte Touche Tohmatsu. They opened offices in Romania.

Market success of SMEs depends to a decisive extent on the adoption and assimilation of knowledge provided by sciences: management, marketing and finance. The financial resources of small and medium enterprises do not allow hiring a numerous staff, so they often turn to external consultants: companies or freelancers.

Financial advisory services include a wide range of services as following:
- accounting
- tax advice
- auditing services
- assessment services
- insolvency advice service
- banking consultancy
- consulting in the field of leasing and other non-banking financial services (factoring)
- insurance advisory

2. General Aspects of Developing Research

The classification of the marketing research uses different criteria. Depending on the directions of research are distinguished are distinguished fundamental research and applied research.

- Fundamental research evaluates concepts, theories, tools for measuring and analyzing marketing information.
- Applied research aimed at seeking answers to real problems or opportunities specific to the companies, institutions and organizations and to substantiate decisions on a particular action or a marketing policy.

Depending on the functional purpose seeking in a decision process, we can distinguish four types of marketing research, namely:
- exploratory research,
- descriptive research,
- causal or explanatory research,
- research tool.

Exploratory research explores a problem or a situation in order to understand and to build on it. Exploratory research can be used in the following situations:
More precise definition of a problem and identifying alternative courses of action; 
Formulation of hypotheses and identify key variables; 
Gaining further information to address the problem and establish priorities for further research. [13]

Descriptive research is used when you need specific information on consumers and their purchasing behavior. Also, descriptive research are used when statistical figures must be based on clear facts and the instrument used is almost always the questionnaire. The advantage of the questionnaire is that, while interviewed a sufficient number of people, data can be extrapolated to the whole group. [12]

The main methods used in these types of research are secondary data analysis, ad-hoc surveys, regular surveys, marketing observation, simulation.

In descriptive research, the primary data obtained from samples fixed probabilistic (random) enabling knowledge the links between variables and intensity of these links. Random sampling is based on the principle of ensuring equal opportunities for all subjects included in the sample. [7]

Under pressure to improve economic efficiency, the most extensive research on clients allow companies to assess the performance of marketing activities, to develop marketing strategies and to predict future financial performance of the company. An example of providing competitive advantages based on predictive research is progressive insurance. Using a complex procedure for customer segmentation and risk assessment, progressive insurance provides services for customers with high-risk insurance, maintaining in the same time the service provider profitability. This, in spite of the fact that many insurance companies believe that customer segment unattractive. [18]

We made the following general hypothesis:

Depending on the size of the firm, managers of SMEs show a different inclination to use financial advisory services outsourced. Statistical hypotheses linking the general hypothesis and the investigated variables are:

H0: No association between firm’s size and the index "number of outsourced financial advisory services". 
H1: There is association between firm’s size and index "number of outsourced financial advisory services". 

Quantitative marketing research was conducted among small and medium enterprises that have headquarters registered in Brasov County through their representatives with responsibilities in the field of financial activities: Associate CEOs, business executives, chief accountants, marketing managers, accountants. SMEs were grouped into domains: industry, construction, trade, services, agriculture, fisheries and forestry. 

The research sample was selected based on a random sampling methods (probabilistic method) that generates representative samples in terms of population statistic investigated. Proportionate stratified sampling was used, according to industry and company’s size, to ensure representativeness both in terms of structure and the sample’s size. The sample was composed of 385 companies.

In this research, the unit of observation is the person who provides the raw data, a representative of SME management, familiar with the financial activities of the company: shareholders, general manager, chief accountant, sales manager, accountant.

In a first stage, subsamples were extracted from each layer, which caused a high level of representativeness of the total sample, compared with simple random sampling. Simple random sampling generates over- representation of certain
groups of the population and under-representation of others. [9].

In the second stage of sampling, the selection was based on simple random sampling, using a random number generator, from a list of all small and medium traders in Brașov, members of the Chamber of Commerce and Industry Brașov.

The decision to use this secondary base sampling is because there are now over 600 active SMEs, members in Chamber of Commerce and Industry Brașov (CCI) and from all sectors: industry, construction, trade, services, agriculture, fisheries and forestry.

Access to this database allowed the selection of 385 companies from the members of CCI Brașov, given the predetermined structure of the sample. Also, it was possible to identify the contact details of SMEs included in the final sample. Although the second phase of sampling does not include all small and medium enterprises in the county of Brașov, Brașov operators members of the CCI can be considered representative given that an exhaustive listing of SMEs is very difficult to obtain. Also, many subjects in statistics can be inactive and will not be considered representative of the collectivity.

Although financial advisory firms in Brașov County provides services in an area that exceeds the boundaries of the county, in order to form a representative sample, the quantitative research took into account the population of firms in Brașov County.

Information obtained from this research will be useful to the financial advisory firms in developing the marketing strategies for their SMEs clients.

3. The presentation of the research results

Following the administration of the questionnaire and data collection from the 385 companies headquartered in Brașov County, included in the sample, subjects' responses were processed using statistical data analysis software package SPSS (Statistical Package for the Social Sciences) and Microsoft Excel spreadsheet program.

To test this hypothesis we used the correlation coefficient Kendall's tau-c, used for ordinal variables. This coefficient test the association between two ordinal variables. We consider the variable "company size" as ordinal, so the index, because they count financial advisory services that are used. Coefficient has values between [-1, 1]. In order to calculate this coefficient is taken into account pairs containing different ranks. Statistical hypotheses:

H0: No association between firm size and the index "number of financial advisory services outsourced".

H1: There is association between firm size and the index "number of financial advisory services outsourced used".

is converted to:

H0: The coefficient is not significantly different from zero.

H1: The coefficient is significantly different from zero.

In order to test the hypothesis "Depending on company size, SME managers show a stronger propensity for using financial advisory services outsourced "it is built an "count" index. The index measures the number of outsourced financial advisory services used. The index has a maximum theoretical score of 10 and minimum 0 (when it is not used any financial advisory service outsourced).
The Average Number of Financial Advisory Services Outsourced Used *Case Summaries (a) Table 1

<table>
<thead>
<tr>
<th>Your company fall into the next category</th>
<th>Medium-Sized Company</th>
<th>Total N</th>
<th>Indice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>2,1250</td>
<td></td>
</tr>
<tr>
<td>Small Company</td>
<td>Total N</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>1,6216</td>
<td></td>
</tr>
<tr>
<td>Micro enterprise</td>
<td>Total N</td>
<td>340</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>1,4265</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>N</td>
<td>385</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>1,4597</td>
<td></td>
</tr>
</tbody>
</table>

a. Limited to first 385 cases

The correlation coefficient Kendall’s tau-c * Symmetric Measures Table 2

<table>
<thead>
<tr>
<th>Ordinal by Ordinal</th>
<th>Kendall's tau-c Value</th>
<th>Asym. Std. Error (a)</th>
<th>Approx. T(b)</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>N of Valid Cases</td>
<td>385</td>
<td></td>
<td></td>
<td></td>
</tr>
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a Not assuming the null hypothesis.
b Using the asymptotic standard error assuming the null hypothesis.

According to Table 2, the correlation coefficient is -0.040 and it is significant at a probability guarantee results P = 95%, \( I = 0.05 \) (significance level). The level of significance is greater than 0.05, and therefore the null hypothesis is accepted. So, we can say that the correlation coefficient is not significantly different from zero.

4. Conclusions

The research results showed that the correlation coefficient Kendall’s tau-c is not significantly different from zero. So it can be concluded that there is no relation between firm’s size and the index "number of outsourced financial advisory services".

This shows that the use of outsourced financial advice derives largely from the legal obligations of businesses.

Outsourcing financial advice often involves additional costs compared with the use of own personal employee. Powers and activities of the external specialists are highly specialized while staff can provide in certain circumstances an accumulation of financial advisory services: accounting, tax and banking advisory, insurance consultancy.

This finding correlates with other research findings in the field of financial consultancy for SMEs. They indicates that the rates too high is the main motivation main motivation for quitting specialized financial advisory services, followed by proper staffing specialist.

On the basis of the financial advisory consumer’s behavior, included in SME category, it can build a suitable price policy, adapted to financial constraints faced by small and medium companies.

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