

# QUANTITATIVE MARKETING RESEARCH ON THE USE OF SPECIALISED FINANCIAL ADVICE BY THE SEGMENT OF SMEs

Carmen Magda NICOLAE<sup>1</sup>

**Abstract:** *The article presents the results of a survey conducted among small and medium companies in Braşov County, on the frequency of using specialized financial advisory services. It highlights the typology and content of financial advisory services used by companies in the SME sector in Romania. The study results will underpin the construction of a marketing mix for financial advisory firms who intend to adapt their offer of services according to client profile.*

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

## 1. Introduction

Marketing research provides information on individual and organizational consumers about their attitudes, opinions and behavior, as well as state and evolution of the marketing environment. [10]

Marketing research is the function that links the buyer, the consumer and the general public through the information provided by marketing expert. Research findings identify and define opportunities and problems, generate, clarify and evaluate marketing actions, monitor marketing performance and improve the understanding of marketing as a process. [17]

There are differences in how to investigate business markets (B2B) and how to study the markets that cater to individual consumers (B2C). The differences relate to the respondents, the sample and the contents of the investigation. Thus, in research of business markets, respondents are entrepreneurs or

employees involved in the company operations or in the decision process. They are studied in terms of profession and not in terms of opinions or individual capacities. Samples B2B in European countries tend to be smaller as specialized people need are more difficult to find and at the same time because of the knowledge and skills of interest held in a small number of individuals who can provide a significant amount of relevant information.

Unlike individual consumer who does not have specialized information, the skills held by respondents in B2B research enables investigation of such complex issues related to technology, markets, services features. [14]

A quantitative marketing research conducted among small and medium firms in Braşov County tried to identify the use of specialized financial advisory services. Although financial advisory firms in Braşov County provides services in an area that exceeds the boundaries of the county, in

---

<sup>1</sup> Christian University *Dimitrie Cantemir* of Braşov.

order to form a representative sample for performing quantitative research took into account the population of firms in Braşov County.

Information obtained from this research will be useful financial advisory firms in development of the policy and marketing strategies for their SMEs client.

## **2. General Aspects of Developing Research**

The research presented in this paper is a descriptive explanatory quantitative research. Quantitative research aims to identify specialized financial advisory services used by SMEs in Braşov and determining their use in specific categories.

Data collection method used is face to face survey because it allows a high level of structuring. Primary data were obtained using a questionnaire administered directly to people in leadership positions in small and medium firms, sampled, at their company's headquarters.

The main disadvantages of personal interviews are possible errors related to operator's language and appearance or interpretation that the operator gives to the respondents' answers; the possibility that operators induce certain responses of subjects; the long time needed to complete the questionnaires and high costs.

In the quantitative marketing research conducted in Braşov, among small and medium businesses, the questionnaire is available as a degree of understanding for people with medium levels of training.

The research is based on the following general hypothesis

The most common financial advisory services are: accounting, tax advisory services and insurance advisory services.

The quantitative marketing research was conducted among small and medium enterprises that have registered headquarters in Braşov, through their representatives with responsibilities in the

field of financial activities: Associate CEOs, business executives, chief accountants, marketing managers, accountants. SMEs were grouped on the following fields: industry, construction, trade, services, agriculture, fisheries and forestry.

The research sample was selected based on a random sampling method (probabilistic). This method generates representative samples, statistically speaking, for studied population. Proportional stratified sampling was used, depending on the size of the business activity and to ensure representativity in terms of both, structure and the size of the sample.

The sample consisted of 385 companies.

## **3. The Presentation of the Research Results**

According to the Romanian language explanatory dictionary Qualified consultancy is offering advice on issues of leadership and management and the consultant is a practitioner who instructs or draw Conclusions on Matters Concerning His specialty. [21]

Accounting services are provided by members of the Body of Expert and Licensed Accountants of Romania (CECCAR) or graduates in economics and include a diverse range as follows:

- a) maintenance or supervision of accounting and financial statements;
- b) economic and financial analyzes, such as analysis of financial structures, analysis of financial management and return on invested capital, technical analysis and working capital management, development of financing plans;
- c) making accounting expertise ordered by the court or others;
- d) the performance of financial accounting works, such as: preparation of periodic statements, consolidation of accounts and balance sheet preparation; preparation of medium and long-term funding plans;

e) carrying out the tasks specified in the mandate of the companies' auditor;

*Frequency table of accounting consulting services*

Table 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	,00	7	1,8	2,6	2,6
	5,00	2	,5	,7	3,3
	7,00	8	2,1	2,9	6,2
	8,00	34	8,8	12,4	18,6
	9,00	83	21,6	30,3	48,9
	10,00	140	36,4	51,1	100,0
	Total	274	71,2	100,0	
Missing	88,00	111	28,8		
Total		385	100,0		

Insurance is a service that the insurer take on the risk trader for a sum of money over a period of time. 7

Insurance consulting provides information on: identifying and assessing business risks; making recommendations in order to reduce risk exposure; management of the insurance policies and adapt of the insurance contracts to the client's business

dynamics; procedure to be followed when there is a loss and there is a good insurance; information about insurance contract, subrogation, liability; insurance policy negotiation and contracting; counseling claim files; support for training of customer's personnel responsible for insurance; demand supply information on the insurance market and its evolution.

*Frequency Table of Insurance Consultancy Services*

Table 2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	,00	196	50,9	71,5	71,5
	6,00	1	,3	,4	71,9
	7,00	5	1,3	1,8	73,7
	8,00	23	6,0	8,4	82,1
	9,00	27	7,0	9,9	92,0
	10,00	22	5,7	8,0	100,0
	Total	274	71,2	100,0	
Missing	88,00	111	28,8		
Total		385	100,0		

Tax advisory services include advice on calculation of direct taxes (income tax, withholding tax); calculation of indirect taxes (VAT and excise); local taxes and wage calculation, including income tax and social security contributions; the calculation of taxes and environmental contributions; advice on other tax matters

(including foreign exchange regulations) VAT mapping (identification of the accounting treatment in terms of VAT, applicable to all transactions carried out by a company); fiscal restructuring; optimize of the taxes by using facilities provided by the tax laws for investment;

*Frequency Table of Tax Advisory Services*

Table 3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,00	217	56,4	79,2	79,2
	6,00	1	0,3	0,4	79,6
	7,00	4	1,0	1,5	81,0
	8,00	10	2,6	3,6	84,7
	9,00	23	6,0	8,4	93,1
	10,00	19	4,9	6,9	100,0
	Total	274	71,2	100,0	
Missing	88,00	111	28,8		
Total		385	100,0		

According to the explanatory dictionary of the Romanian language audit is a function of control and accounting review of a company, the process by which competent persons self collect and assess evidence in order to form an opinion on the degree of correlation between the observed and certain criteria.

The financial audit is the procedure performed by a competent and independent professional, for the identification, collection and evaluation of evidence about information contained in the financial statements, in order to express a professional opinion on the degree to which they are prepared in accordance with the applicable criteria, set anticipated. [8]

*Frequency Table of Auditing Services*

Table 4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,00	253	65,7	92,3	92,3
	5,00	1	0,3	0,4	92,7
	8,00	3	0,8	1,1	93,8
	9,00	10	2,6	3,6	97,4
	10,00	7	1,8	2,6	100,0
	Total	274	71,2	100,0	
3	88,00	111	28,8		
Total		385	100,0		

Banking consultancy consists of the assistance regarding: credit operations, operations on the savings instruments, bank fees, bank payment instruments. Banking consultants guide their clients in choosing the right loan for their needs. The

consultants provide information on banks that have the lowest fees and the lowest bureaucracy and banks that offer the fastest loan. They are also provided information on the most appropriate currency to claim the credit.

*Frequency Table of Banking Advisory Services*

Table 5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,00	198	51,4	72,3	72,3
	6,00	1	0,3	0,4	72,6
	7,00	8	2,1	2,9	75,5
	8,00	19	4,9	6,9	82,5
	9,00	28	7,3	10,2	92,7
	10,00	20	5,2	7,3	100,0
	Total	274	71,2	100,0	
Missing	88,00	111	28,8		
Total		385	100,0		

Capital market is the set of relationships and mechanisms which transfer funds from those who have a surplus of capital-investors - to those who need capital, with specific instruments (securities issued) and through specific operators (financial investment companies). Capital markets conduct transactions with financial assets that mature within a period exceeding one year. [2]

Unlike money markets, which comprise all transactions with instruments negotiated on short-term (less than a year), the capital market is characterized by transactions with specific securities on medium and long-term: stocks, bonds, treasury bills and derivatives based on their contracts-options, futures (which experienced a spectacular development in recent years). Money markets allow traders to borrow short-term funds to finance current operations. Capital markets allow firms to obtain long-term funds in order to finance corporate expansion. [13]

Consultancy on foreign capital markets is focused on:

- legal advice on minority rights and majority shareholders, public offerings, listings, delisting etc.

- assistance and representation in negotiations, general meetings of shareholders;
- advice on the exchange regulations and the regulations of the National Securities Commission( regulatory and supervisory institution in the field at national level);
- drafting and advice on the regulations and the procedures of brokerage firms (financial investment companies);
- assistance and representation in litigation that seeks to set aside public offerings, directors' liability for damage to the company or minority shareholders in violation of their rights: ownership of the shares, the right to information, the right to vote, the right to attend the General Assembly Shareholders the right to control, dividend rights, the right to a share in the assets of the company in case of its liquidation etc.
- assistance in the purchase of securities, financing through the capital market, initial public offering ;
- legal advice on the establishment and licensing of brokerage firms. [1]

*Frequency Table of Advice on Capital Market Operations*

Table 6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,00	271	70,4	98,9	98,9
	9,00	3	0,8	1,1	100,0
	Total	274	71,2	100,0	

According to Government's Ordinance no. 24/2011, authorized assessors, members of the National Union of Licensed Appraisers in Romania carries out the following main activities:

- a) evaluation of real estate;  
b) evaluation of businesses;

- c) assessment of movable property;  
d) valuation of shares and other financial instruments;  
e) evaluation of goodwill and other intangible assets;  
f) verification of the assessment reports.  
[17]

*Table Frequency of Valuation Services*

Table 7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,00	250	64,9	91,2	91,2
	6,00	1	0,3	0,4	91,6
	7,00	1	0,3	0,4	92,0
	8,00	5	1,3	1,8	93,8
	9,00	13	3,4	4,7	98,5
	10,00	4	1,0	1,5	100,0

Insolvency advisory services are as follows: judicial reorganization, administrative liquidation, judicial liquidation, insolvency legal advice, drafting plan of reorganization, expertise on

the activities of the insolvency proceedings. Insolvency counseling can help everyone involved in the insolvency process: owners, employees, suppliers, bankers, etc.

*Frequency Table of Insolvency Advice*

Table 8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,00	274	71,2	100,0	100,0
Missing	88,00	111	28,8		
Total		385	100,0		

Consultancy in the field of leasing and other non-banking financial services (factoring - factoring provide specialized institution taking adherent property claims

by paying the invoices) provides specific information about the legal and / or trade in the financial sector). [7]

*Frequency Table of Advice on Leasing and  
Other Non-Banking Operations*

Table 9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,00	241	62,6	88,0	88,0
	6,00	1	0,3	0,4	88,3
	7,00	6	1,6	2,2	90,5
	8,00	10	2,6	3,6	94,2
	9,00	6	1,6	2,2	96,4
	10,00	10	2,6	3,6	100,0
	Total	274	71,2	100,0	
Missing	88,00	111	28,8		
Total		385	100,0		

The data in the table of the values calculated for the Chi-square test (obtained using SPSS system) indicated that the distribution differs from the normal distribution of the variables.

#### 4. Conclusions

Frequency tables of the specialized financial consultancy services reveals that the first three types of services identified as frequency of use are the following: financial and accounting advisory services, insurance consulting and tax advisory. This conclusion is supported by the Chi-square test results because the distribution differs from the normal distribution of the variables.

#### References

- Badea, L., Mocanu, F., *Piețe de capital: analiza și gestiunea plasamentelor financiare*, Editura Economică, București, 2007, p.45
- Burton, M., Brown, B., *The Financial System and the Economy: Principles of Money and Banking*, M.E., Sharpe Inc., New York, USA, 2009, p.68
- Cătoiu, I., *Metode și tehnici utilizate în cercetările de marketing*, Uranus, București, 1999;
- Cătoiu, I., (coord), *Cercetări de marketing*, Uranus, București, 2002;
- Constantin, C., *Sisteme informatice de marketing. Analiza și prelucrarea datelor de marketing. Aplicații în SPSS*, Infomarket, 2006;
- Domnișoru, S., *Audit statutar și comunicare financiară*, Editura Economică, București, 2011, p.156
- Funaru, M., *Comerțul internațional cu servicii*, Ed. C.H. Beck, București, 2013, p.150
- Funaru, M., *Tehnica operațiunilor de comerț exterior*, Ed. C.H. Beck, București, 2013, p.142
- Hooley, G., Nicoulaud, B., Piercy, N., *Marketing Strategy and Competitive Positioning*, fourth edition, Prentice Hall, 2008;
- Lefter, C., *Cercetarea de marketing. Teorie și practică*, Editura Lux Libris, 1996, p. 16-17
- Lefter, C., *Cercetarea de marketing. Teorie și aplicații*, Infomarket, 2004;
- Kotler, P., *Managementul marketingului*, Teora, București, 2008;
- Madura, J., *Financial Markets and Institutions*, South-Western Cengage Learning, USA, 2010, p..5
- McNeil, R., *Business to Business Market Research: Understanding and Measuring Business Markets*, Kogan Page Limited, United Kingdom, 2005, p. 9-11

15. Potdevin, J., Toma, M., *Elemente de doctrină și deontologie a profesiei contabile*, CECCAR, București, 2008;
16. Pride, M., W., Ferrell, C., O., *Marketing*, South-Western, Cengage Learning, Ohio, USA, 2012;
17. Silver, L., Stevens, E., R., Wrenn, B., Loudon, D., L., *The Essentials of Marketing Research*, third edition, Routledge, New York, USA, 2013, p.4
18. Zagula, M., Kennedy, D., S., *No B. S. Trust Based Marketing*, Entrepreneur Press, SUA, 2012;
19. Ordonanța nr. 24/2011 din 30 august 2011 privind unele măsuri în domeniul evaluării bunurilor, publicată în Monitorul Oficial al României, Partea I, nr. 628, din 2 septembrie 2011
20. OMFP 3055/2009 pentru aprobarea Reglementărilor contabile conforme cu directivele europene, capitolul II, secțiunea 2.2 Caracteristicile calitative ale situațiilor financiare anuale;
21. [dexonline.ro/definitie/consultanta](http://dexonline.ro/definitie/consultanta). Accessed: 22-06-2012.