

# **AN EXPLORATORY INVESTIGATION INTO THE MARKETING PRACTICES OF SMALL ASIAN-OWNED RETAIL BUSINESSES IN THE U.K.**

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## **ABSTRACT**

This paper considers the importance of cultural factors within ethnic minority-owned firms' marketing strategies. It provides a contribution to the growing body of knowledge at the marketing strategy/ entrepreneurship interface and reports specifically on an empirical investigation into the retail marketing strategies of a sample of Asian-owned (originating from the Indian sub-continent) small and medium-sized enterprises (SMEs) operating in the U.K. The findings from twenty in-depth personal interviews provide an insight into the practices of ethnic minority-owned retail businesses indicating that factors associated with key decision makers together with cultural networks, balanced against resource constraints, had a major impact on firms' operations.

## **INTRODUCTION**

While a wide body of literature exists on the retail marketing strategies of firms, arguably, a focus has been placed on larger businesses, providing a need to develop work involving smaller firms. Indeed, a particular gap in the literature refers to the practices of smaller-sized ethnic minority-owned firms; this identified gap is peculiar given the propensity of certain minority groups to start up in new businesses, in many cases related to the retail sector. In the case of the U.K., data indicates the following proportion of self-employed within particular ethnic groups, that is, as a percentage of the working age in employment: Afro-Caribbean 5, Indian 19, Pakistani/ Bangladeshi 23, and other ethnic minorities 13. This compares with a figure of 11 percent for the 'white' population and gives an indication of the relative level of entrepreneurship, at least as far as self-employment is concerned, within the respective ethnic groups.

Given the propensity of members of ethnic minorities to enter self-employment, particularly in the retail sector, it is important to understand the marketing strategies of these entrepreneurs. Consequently, this paper focuses on the marketing strategies of a sample of twenty small family-owned retail businesses in the U.K. where the owner/ manager is of an Asian origin. Asian-owned firms were chosen due to their propensity to enter self-employment in comparison to other ethnic minority groups. It follows a qualitative methodological approach in order to address the 'why' and 'how' issues at the marketing strategy/ entrepreneurship interface and reports on selected cross-cultural issues within the retail services sector. Specifically, the study addressed managers' reasons for starting in business and subsequent marketing strategies after start-up. As such, the objective of the paper is to explore the notion of whether ethnicity has a role to play in the marketing strategies of these firms, in other words, the extent to which cultural factors have had an effect on the strategies employed by the owner/ managers.

## **RESEARCH FOCUS**

A review of the literature, drawn from diverse areas such as sociology, small business, and the like, highlighted that a number of cultural issues are worthy of investigation. In short, these ranged from the use of cultural resources through to knowledge of a local community's needs enabling niche markets to be effectively served. However, a gap exists in the marketing strategy literature concerning the practices of Asian-owned firms. This investigation addresses the identified gap in the literature in respect of gaining an insight into the extent to which cultural factors affect the strategies employed by the owner/ managers. It follows a qualitative methodological approach in order to address these behavioural issues and reports selected cross-cultural factors within the U.K. retail sector. By using a semi-structured qualitative methodology, this study explored Asian retailers' case histories in the entrepreneurs' own words, and focused on two major issues: first, their reasons for starting in business; and second, retail marketing strategies. As such, this paper positions itself at the marketing strategy/ entrepreneurship interface in order to provide a better understanding of how cultural factors affect retail marketing practices.