

START-UP MARKETING: HOW TO BECOME A PLAYER ON THE B2B SERVICES MARKET IN ROMANIA

Nicoleta-Dorina RACOLTA-PAINA, Sorina-Diana MONE

Babes-Bolyai University, Cluj-Napoca

Abstract. *The Romanian B2B services market tends to be more and more mature, as new players enter the country as a consequence of Romania's membership within the European Union. Therefore, it becomes more and more difficult for new and small businesses to be set up and become functional players on this market. In this context, it is worthwhile performing marketing efforts from a special perspective that is a start-up marketing approach. The paper presents an analysis of start-up marketing as a discipline and also as practice in the B2B services market in Romania.*

Keywords: start-up marketing, B2B services, Romania.

1. Introduction

There are many articles and studies regarding the concept of marketing and therefore the way in which this approach can be adopted by companies. Among these articles and studies there are several that come with important information about start-up marketing. The aim of this article is to identify the situation of start-up marketing as a particular discipline and as practice in the Romanian business environment. Our question is if the Romanian entrepreneurs have access to information on start-up marketing as an important resource in their efforts to set-up and develop a successful business. We will refer to the B2B services market in Romania because we consider this market to be among the most interesting and important ones.

2. Start-ups and entrepreneurship in Romania

2.1. The concept of start-up in Romania

Whenever conducting a research or developing an analysis, it is essential to define the object of that research, especially when dealing with concepts that do not comport with a widely known and accepted definition.

This is the case of the concept of start-up in Romania, where we found that there is no unanimously accepted definition for it. The 31/1990 Law regarding the commercial societies includes no information regarding the concept of start-up, whereas the 346/2004 Law for stimulating the creation and development of the SMEs, article six, paragraph three, refers to *new-created enterprises* stating that „*in the case*

of a new-created enterprise, whose financial situations have not been approved, the data regarding (...) are being determined during the financial exercise (...)". This means that a new created enterprise is an enterprise created during the year in cause, as in Romania the financial year is the same with the calendar year.

When referring to start-ups in Romania, the most frequent aspect dealt with in this context is the one regarding the sources of capital and the financing process. It is not an unexpected situation, if we consider that the main obstacle when setting up a business is the lack of capital.

Therefore, we found that the most common sources to define start-ups are some financing programs that aim at supporting new businesses. In this context, we can mention two programs financed by European funds. First, it's the Sectorial Operational Program Increase of Economic Competitiveness, with an operation called „Support for innovative spin-offs and start-ups”, which defines a start-up as *„a micro or small enterprise (...) that has a history of maximum 3 years and maximum 20 employees”*. Secondly, there is the National Program for Rural Development, which defines start-up as a *„microenterprise that was founded the year when submitting the project or maximum three years before, but not having had any activity”*. There is also a governmental program called START, in which the start-up is considered to be a new founded enterprise, with no further explanations.

Considering these findings, we came to the conclusion that there is no widely accepted explanation for the concept of start-up in Romania and therefore, for increased relevance and accuracy of our paper, we need to state our own definition of the term in discussion. In this context, based on the fact that our paper is built on a marketing approach, we considered it appropriate to define the start-up as *the enterprise that is new on the market and is trying to earn a position (not necessarily to become a leader, but to become a functional player on its relevant market)*.

Although there are no statistics regarding start-ups in Romania (not existing a general definition of the concept) and mainly from our perspective on the concept, we consider it important to mention that there is a great number of new firms being registered each year. For example, in the first semester of 2008, more than 76 thousand firms were founded, among which more than 20 thousand with activities in commerce, followed by constructions and technical and scientific activities (Romanian National Trade Register Office, 2008). So, we can deduce that a great number of the new firms conduct services activities, by comparison to production. A possible explanation could be that to set up a business in production would necessitate a greater investment (in technologies, equipment and so forth), whereas in services most often the main resource is the human resource (the knowledge and competence to offer a particular service).

2.2. Romanian entrepreneurship in the 21st century

When we talk about small firms we talk about entrepreneurs, people who have ideas, who are ready to take the necessary risks to get a firm off the ground and who are willing to manage their company.

Start-up marketing: how to become a player on the B2B services market in Romania

In the case of the Romanian business environment, entrepreneurship (new business formation) is quite a young concept, because before December 1989 the private property in business was very limited. Therefore we talk about the first entrepreneur in Romania, who is Dinu Patriciu (he opened the first private company after the fall of the communist regime) (Money Express, 2008). In these days it is quite easy to set up a company in Romania, as an entrepreneur. In fact, Romania is ranked 47 out of 181 economies regarding the ease of doing business (World Bank, 2008). There are different ten components, named also as „stages of a business life” that are measured in order to obtain this dimension named „ease of doing business”. Among the components there is one under the heading of *starting a business*. Thus, to start up a business in Romania requires “six procedures, takes 10 days and costs 3.57% GNI per capita” (World Bank, 2008). According to the same annual report, the situation of our country is quite good by comparison to other countries from Central and Eastern Europe (Hungary is ranked 27, Slovakia occupies the place 48, Bulgaria is on the 81st place, the Czech Republic is ranked 89 and Poland as 145th).

According to the *1st Report on Entrepreneurial activities in Romania* (Lafuente and Driga, 2006), there are several facts regarding the entrepreneurs’ characteristics and activities:

- The highest rate of new business creation is found for individuals between 26 and 40 years;
- It is important for entrepreneurs to come from a family with background in entrepreneurship;
- The main motivations to be involved in entrepreneurial activities are very diverse, such as: an option to take advantage of business opportunities, to improve the quality of life and also social aspects.

There is an annual top of „100 start-ups” launched by one of the most well known business newspapers on the Romanian market, *Ziarul Financiar* (first edition October 2007). In fact, what is presented consists of 100 stories about Romanian entrepreneurs that are successful business people, even if only some years before having set up their company, they were students or employees.

We have analyzed these 100 starts-up (from both tops 2007 and 2008) and we consider that the entrepreneurs can be classified in the following three main categories:

1. „The young” – those who set up their company when they are young (under 30 years) and their working experience is limited or does not even exist.
2. „The mature” – those who start their business after some years in a company (5-7 years) and their working experience is good;
3. „The senior” – those who after a successful professional and managerial career decided to start their own business.

We can also observe several reasons that influenced these entrepreneurs to set up their business: an unsatisfied need (in fact the lack of supply on the Romanian market for specific goods or services such as babies and children apparel and shoes; personalized products; professional cleaning services and so on), poor quality services on the part of the suppliers (in this case it was quite easy to become a supplier and to

compete with them obtaining very good results), a great demand from the national market for different foreign products (such as jewels, products for babies, quality doors and so on), personal scientific knowledge (these entrepreneurs being former employees of scientific research or engineering institutes), personal skills (such as painting on glass), passion for different products or services or even hobbies transformed into real businesses.

In 2007 Romania was one of the 42 countries that participated in the Global Entrepreneurship Monitor (GEM) project (GEM, 2008). GEM is „*a not-for-profit academic research consortium that has as its goal making high quality international research data on entrepreneurial activity readily available to as wide an audience as possible*” (<http://www.gemconsortium.org>). According to the report of GEM, Romania was ranked 37 out of 42 countries regarding the established entrepreneurial activity, for the year 2007! This low position defines the situation of entrepreneurship in our country compared to others countries, situation that is not good at all. Thus, we consider that any initiative aiming at sustaining entrepreneurship in Romania is welcomed. Therefore, in 2008, Romania was one of the participants on the Global Entrepreneurship Week, among other 77 countries. The Global Entrepreneurship Week is a worldwide event that celebrates enterprises, the main aim being „*to unleash young people’s enterprising ideas and address some of society’s biggest issues, from poverty reduction to climate change*” (http://www.enterpriseweek.org.uk/about/global_entrepreneurship_week). This event covers a wide range of activities, for example: conferences, business contests, business project launches, round tables, mentoring programs for entrepreneurs, workshops and so on. The results of this event have not been published yet, but it is certain that this is a further step to improve the environment for entrepreneurs.

So, we can conclude by stating that there are several signs that entrepreneurship has started to gain ground in the Romanian environment.

3. Review on start-up marketing in Romania. A literature and practice approach by comparison to Western markets

As there is no official and widely accepted definition for start-ups in Romania, it is not an unexpected thing that marketing for start-ups is not considered to be a particular type of marketing and therefore have its own instruments or resources.

Analyzing what we thought to be relevant resources, we found that neither are start-up marketing practitioners (marketing firms or independent consultants), nor start-up marketing literature (books, studies, articles). Still, there are resources (mainly online) that can be useful for a start-up from a marketing point of view, even though it rarely happens that these resources are organized in an integrated and consistent way, so as to be a complete source of marketing know-how and information for a new entrepreneur.

From our perspective, there are some websites that could be more than useful for a business, mainly at its beginning, when all information is vital and when accumulating knowledge from practice is more difficult than for an already functional

Start-up marketing: how to become a player on the B2B services market in Romania

business (because of the low activity and the lack of experience, contacts and so on). We would mention in this context the following resources: www.startups.ro, www.resurseimm.ro, www.esimplu.ro, www.focusimm.ro, www.basepoate.ro. For example, [esimplu.ro](http://www.esimplu.ro) is an online portal for the SMEs communities (including start-ups) that provides enterprises with very interesting facilities, including the possibility of developing the firm's own micro-portal or virtual shops within the website, information on all important business events in the country and marketing instruments (benchmarking tools, databases with firms to collaborate with).

Another aspect that we consider to be an important and really useful resource for new businesses on the Romanian market consists of the ever growing sharing of know-how and information coming from experienced practitioners, be it in marketing activities (PR, advertising and so on), or in all kinds of businesses. In this context, it is worthwhile mentioning blogs, which tend to be a more and more used platform by practitioners for sharing knowledge. For example, Bogdan Nedelcu's blog (www.bogdannedelcu.com) is a very useful resource in what concerns online marketing (search engine optimization for the start-up's website, email marketing etc.). Also, there is a very interesting e-group called „marketing lider” (http://groups.yahoo.com/group/marketing_lider/) moderated by Dragoş Dehelean, who also owns a website (www.dragosdehelan.ro) in which he posts a great amount of his studies and articles. What we consider to be important in this context is that these personal websites offer the chance for new businesses (that more likely do not have the financial resources to pay for these consultants' services) to get in touch with some knowledge (although not customized on their needs, but that is more than nothing, after all).

A totally different paradigm we could find on the Western markets (USA, UK etc.), where start-up marketing is being individualized as a particular marketing branch, in practice, as well as in literature. The most unusual resource we could find is a radio called Startup Nation (available online on www.startupnation.com), where two brothers, with years of entrepreneurship experience, moderate shows on start-up topics. Also, the website has a marketing section with useful articles on start-up marketing.

Most important, we were able to identify start-up marketing firms, which offer marketing services for new businesses, such as Startup Ramp and also consultants in start-up marketing, such as Sean Ellis. A particular situation that can arise in the practice of start-up marketing in Western countries is when a start-up engages the services of consultants that are specialized in strategic planning for start-ups, who provide as outputs a mission, a vision and a marketing plan and who often become eventually the second chief executive officer of the firm (Chiagourins and Wansley, 2003).

Moreover, there is a significant amount of literature resources available on this topic (books and articles) that provide the reader with useful insights on what particular tools to implement and what aspects to follow in conducting marketing activities when setting up his own business. Analyzing some of these resources, we found that most of them are focused on really specific things that can be implemented in practice by practically every business, as they refer to low-cost measures that involve using at a maximum potential the existing resources available to the business. A consistent part of these measures are related to the Internet and the online presence

of the business (e-mail marketing, websites, online advertising, newsletters and so on) which are affordable and can even be done with no financial resources allocation, if the entrepreneur has some basic IT knowledge and the availability to do a deeper research on that particular IT tool. Another important type of marketing advice for start-ups that are available in foreign resources on this topic are connected to an important process when setting up a business, process that in Romania is almost nonexistent or is not considered important by early entrepreneurs. What we refer to is the process of planning, which should be conducted before entering the market.

More exactly, the foreign resources we refer to insist on the importance of thinking ahead aspects such as designing the offer, the pricing strategy, a networking strategy and so forth, aspects that are vital for a successful business and that most entrepreneurs fail to plan ahead and try to adapt after launching the business. So, it can come to a situation in which the business becomes notorious on the market (having invested in advertising, for example), but it does not have a vision of what it offers, how it offers, which are the resources it can count on and, most important, which are the objectives for each of its marketing actions. For example, when creating the website, do you want it to be informative? Or do you want to sell by the means of it? You would like to develop a newsletter, but how often would you consider delivering it? These are all questions that need to be answered long before really performing the action.

Also, there are studies available in different sources (such as online databases), that can be of great use for early entrepreneurs, as these studies are focused on disseminating the results of different kinds of case studies. Consequently, the papers present practical issues that have been noticed over time in the marketing practice of start-ups and also general recommendations made on this basis. For example, a study conducted during 24 months on start-up companies suggests eight golden rules to lead the start-up marketing efforts: (1) Always begin with a vision, (2) Design marketing plans to accommodate change, (3) Focus on your most valuable asset-the brand name, (4) Learn to live with barriers, (5) Monitor, but don't copy the competition, (6) Outwardly focus the organization to stimulate innovation, (7) Vary your marketing research program, (8) Hire the most well-rounded people with the greatest sense of urgency (Chiagourins and Wansley, 2003).

So, we can conclude by mentioning that there still exists a significant gap between start-up marketing practice and literature in Romania and the ones in Western developed countries. And even though we can consider that, at a certain measure (measure reduced by the lack of information, knowledge of a foreign language or financial resources), Romanian entrepreneurs have access to foreign literature on start-up marketing, in what concerns the access to start-up marketing practitioners, the situation is even more problematic.

Our opinion is that Romanian marketing practitioners and editors should consider highly on moving towards the development of start-up marketing as a discipline and practice. We agree with the fact that each type of marketing knowledge can be useful for a business at every stage of its existence (including the start-up stage) because it's more than nothing, but there are arguments to sustain the necessity of start-up marketing as a particular branch of marketing, even in Romania. The

Romanian markets tend to be more mature and it becomes more difficult to penetrate them so a start-up must perform well planned and efficient marketing actions to become functional. Therefore, it is obvious that the services of a marketing firm must be customized for start-ups not only in terms of prices (which happens today, but as a common sense approach, not as part of a structured service portfolio), but also in terms of understanding their particular needs, resources, capabilities and fulfilling them in an adequate way.

4. Case study

The case study of this paper is about start-ups in the B2B services sector on the Romanian market. We chose this topic because we consider that both elements, start-ups (as part of SMEs) and the services sector, are topics of great actuality at the level of the EU 27 and therefore at the level of Romania.

It is well known that services are considered crucial to the European Internal Market. This is due to their contribution to the economy, *„between 60 and 70% of economic activity in the European Union of 25 Member States, and a similar (and rising) proportion of overall employment”* (European Commission, 2008). If we consider Romania, services occupy an increasingly important role even if there still is a big gap between our country and EU 25 (or even EU 27). Thus, in Romania the share of services in the labor force was 34.6 % in 2002 and 36.9% in 2005 compared to 68.9% in 2002 and 70.2% in 2005 in the EU 25 (EC, 2008). We mention here that in Romania, the services sector has gained a growing share within the gross domestic product (GDP). Thus, the contribution of the services sector to Romanian GDP has followed a positive trend, growing from 32.3 % in 1990 to 56.85 % in 1999 and 61.11 % in 2007 (the other components of the GDP being agriculture, industry and construction) (Romania-Central.com, 2008).

4.1. Start-ups in the services field

The concept of services has many and various definitions, in fact because of its complexity *„it is hard to come up with a comprehensive definition that captures the diversity and attributes of all of them”* (Cook et al., 1999 quoted by Hollye, 2007). As a direct way to define services, it is said that *„services are seen as intangible and heterogeneous; production and consumption occurs simultaneously”* (Hollye, 2007).

Analyzing the specialized literature regarding start-ups, we did not find a clear distinction between start-ups in services and start-ups in the production sector. Nevertheless, we consider that the differences between services and production companies are valid from the very beginning (the setting up moment). We emphasize here the main characteristics of services (Vorzsak, coord., 2006): intangibility, inseparability, heterogeneity, perish ability and lack of property. Because of these characteristics the activity of services companies is characterized by several specific elements: due to the intangibility of their offer, trust plays an important role, in fact the whole relationship between company and customers is very important (there is a

Management & Marketing

long-term approach and a win-win situation); because of the inseparability, the human resource has a crucial role (without the direct implication of the employees of the company the services do not appear, of course with some exceptions: vending machines and automatic sellers).

As we've mentioned before, there are several websites that contain basic information on why and how to get a service business started. Here are some of the most interesting ideas related to start-ups in the services fields:

– „*Selling services knows no boundaries--anyone with a need or desire to earn extra money, work from home, or start and operate a full-time business can sell a service, regardless of age, business experience, education or current financial resources*” (Stephenson, 2008);

– „*Though services margins are definitely lower than those of products, one of the nice things about selling services is that it's easier to manage head-count. For example if you're trying to figure out whether to hire/keep someone, trying to figure out whether they'd be accretive is simpler to figure out in the services business. Not easy (particularly in this economy), but easier*” (Shah, 2008);

– There are „*two of the basic issues in building your consulting practice: 1) the business you are in and 2) your business goals*” (http://www.morebusiness.com/getting_started/primer/v3n10.brc, 2007).

When we talk about start-ups in Romania, we should present here several legislative initiatives that support them. So, there is the Governmental Decision (No 166/2003) regarding tax facilities for students who want to start their business (reduction on fees and taxes for students to help them create a business) (EC, 2007). In fact it was the first legislative act that encouraged young population to start up a business. The results were quite weak, if we compare the number of registered companies in the year 2006 (in conformity with this Governmental Decision) – 13735 (Romanian National Trade Register Office, 2006) and the number of students in Romania – 241716 (supported by the State) (Ministry of Education, Research and Youth, 2008).

Then, there is another law that encourages start-ups in Romania: Law no. 359/2004. It simplifies the procedure of registration and authorization of physical entity, family associations and legal entity (EC, 2007).

There are also structural funds destined to support Romanian SMEs (<http://www.fonduri-structurale.ro/detaliu.aspx?eID=2606&t=Stiri>). Only in 2008 five programs were launched under the name: *The program for development and modernization of the activities of commercializing products and services on the market, The program for supporting the development of small and medium sized enterprises by funds in the limit of paid sums for the reinvested gross profit, The multi annual program for the period 2008-2011 for supporting the businesses transfer, The Program for organizing the Fair of Small and Medium Sized Enterprises –TIMM 2008 and the Program for organizing the National Co-operative Fair* (Gagiu, 2008).

In the context of start-ups in the services field, our opinion is that there are several particularities of this type of companies:

Start-up marketing: how to become a player on the B2B services market in Romania

- The start-up capital is smaller than in the case of production companies, because it is not necessary to make great investments in technologies and other expensive assets (such as land, warehouses and so on);
- The every day expenses of the company can be lower because most of the expenses are related to overheads and not to raw materials;
- The number of necessary employees can be lower than in the case of production companies because of the nature of work in the services field.
- Considering these findings, we came to the conclusion that there are several specific elements at the level of start-ups in the services field. In the case of Romania, there are legislative initiatives in order to encourage the start-ups.

4.2. Marketing approach within start-ups in B2B services

4.2.1. Strategic marketing approach

We consider that one of the golden rules of marketing is that „*all organizations need to have a longer-term (strategic) marketing view as well as a short-term (tactical) marketing operation*” (Mc Donald, 2008, p. 13). But, „*many companies operate without formal plans*”, irrespective of the type of companies (large and small, new and mature) (Armstrong and Kotler, 2001, p. 47). The same authors mention an explanation for the lack of formal plans within many companies: „*in new companies, managers are sometimes so busy they have no time for planning*” and „*in small companies, managers sometimes think that only large corporations need formal planning*”. We consider that nowadays companies cannot compete successfully on the market without planning, irrespective of their types. In the case of start-ups from the Romanian market, the corporate planning process and therefore the marketing planning play an even more important role now that we have just started the third year as a member of the European Union. In fact, the accession of Romania to the EU has come with several new characteristics for the Romanian business environment, such as: the entrance of new powerful foreign competitors, the adoption of several EU directives, the migration of fully-qualified Romanian workforce to the EU countries, the liberalization of different markets as automobile, natural gas and so on. The last months of 2008 came with a severe financial crisis and hence the start of a worldwide economic recession. Of course, this difficult situation has also affected our country and therefore start-ups have been faced with more difficult business conditions. Therefore, strategic planning has an even more important role in the case of start-ups from Romania. Through strategic planning we understand „*the process of developing and maintaining a strategic fit between the organization’s goals and capabilities and its changing environment and marketing opportunities*” (Kotler, Armstrong, 2001, p. 47). According to the same authors, strategic planning relies on „*defining a clear company mission, setting supporting company objectives, designing a sound business portfolio, and coordinating functional strategies (such as production, marketing and so on)*”. We consider that, there are several specific elements of strategic planning in the case of start-ups in general and B2B services start-ups in particular.

a) *The company's mission statement and the company's objectives*

After some primary research based on observation, we conclude that in most start-ups from Romania, the company's mission does not exist (formal or informal) but the company's objectives, especially the short-term ones, are well defined. Our explanation is that the company's mission, as „*brief statements about the organization's role or contribution, business definition, distinctive competences, and indications for the future (i.e. what the firm will do, might do, will never do)*” (McDonald, 2008, p. 30) is quite abstract and intangible for most of the entrepreneurs or managers (those who should define the company mission). In contradiction, the objectives, mostly expressed as financial ones, are tangible and therefore easily to define. But, a company without the mission has no long-term identity and also has no ground for corporate culture, which for a company is „*what personality is for individuals*” (Schein, 2004, p. 8). It is important to remember that the mission-statement should be market-oriented, thus it defines the business in terms of satisfying customer needs (Armstrong and Kotler, 2001, p. 49). For example, in the case of a B2B services start-up, a market-oriented mission as opposed to product-oriented mission can be defined as: *The mission of our company is to fulfill the customer's need with quality and a sense of reciprocal respect, warmth and long term relationships.*

Therefore, our recommendation for B2B services start-ups is to carefully define their mission, keeping in mind that the company's mission is part of corporate planning and therefore will be part of the company on the long-term. The mission must truly represent the entrepreneurs and the employees, because if they do not believe in it, the mission will be only a nice statement on an official document and also on the main page of the company's website.

b) *The business portfolio*

Usually, the business portfolio – the collection of services that are offered by B2B services companies – is quite small-sized in the case of start-ups. Therefore, it is important to remember „*the best business portfolio is the one that best fits the company's strengths and weaknesses to opportunities in the environment*” (Armstrong and Kotler, 2001, p. 53). Thus, in defining the business portfolio entrepreneurs should start with an internal analysis in order to identify company's strengths and weaknesses and with an external analysis to establish the opportunities in the environment. Here, we talk about market research that is compulsory for start-ups from a marketing perspective. Of course, the market research process in the case of start-ups is more informal and less structured than in the case of mature companies. Moreover, there are some specific methods and instruments that can be used by the managers of start-ups in order to obtain good marketing information, such as: observation, collecting ads from local media, routine visits to competitors, informal surveys or simple experiments (Armstrong and Kotler, 2001, pp. 156-157). In the case of B2B service start-ups we consider that the analysis of the web page of the main competitors is a good way to start marketing research. Then, there are also different approaches, such as: making phone-calls, sending e-mails to ask information or visiting the main competitors as potential clients.

c) Functional strategies

We consider that in the case of start-ups it is unrealistic to talk about functional strategies. If a start-up has adopted a corporate strategy there are also several strategic dimensions of all company's departments, such as human resources, marketing, finance and so on.

For many of the entrepreneurs, marketing approach means marketing plan, which is not bad if they understand that the marketing plan is the result of marketing planning, and it is „*about marketing objectives (what you want to achieve) and marketing strategies (how you plan to achieve your marketing objectives)*” (McDonald, 2008, p. 11). Moreover, the marketing plan is part of the corporate strategic plan. But start-up marketing does not mean only marketing plans! Talking about marketing services, the specialist remarks „*they are less tangible than products and more likely to vary in quality, depending on the particular person or people providing them*” (Keller, 2008, pp. 15-16).

We consider that there are several important marketing decisions that should be made by the entrepreneurs or managers of start-ups, such as: choosing and developing the name of the company, market segmentation, target market selection and positioning. Of course, the list is not the final one, even the definition of the elements of marketing mix, known as the 7 Ps: product, price, place, promotion, people, process and psychical evidence completed by customer service (Christopher, Payne, Ballantyne, 2002, p. 11; Brătianu, 2006, p. 164) having also strategic dimensions.

1. The naming/branding

In the case of start-ups it is important to understand that one of the first and main identification elements is the company's name. In fact, through company's name we understand several elements as: name, letters design, size and color, symbol and logo, all of these being seen as brand elements (Keller, 2008, p. 3). Therefore, one of the long-term objectives of the entrepreneurs or managers of start-ups is to transform these brand elements in a Brand, „*a certain amount of awareness, reputation, prominence, and so on in the marketplace*” (Keller, 2008, p. 2). And since we talk about B2B services start-ups, the importance of this long-term objective is much greater because „*business-to-business branding creates a positive image and reputation for the company as a whole. (...) A strong business-to-business brand can (...) provide a strong competitive advantage*” (Keller, 2008, pp. 11-12.) On the other hand, if we refer to service companies, there are some specific elements regarding the branding of a service (Keller, 2008, p. 16):

branding is seen as a way to address intangibility and variability problems that characterize service companies;

- brand symbols can help to make the abstract nature of services more concrete;
- brands can help to identify and provide meaning to the different services provided by a company.

For example, the name of a potential B2B service company that provides management consulting services can be: KP Smart Management Consulting. First, within the company's web page and published materials there will be an explanation

Management & Marketing

of the name: *K* from *knowledge*, *P* from *providing*, *Smart* – for *intelligent* and *Management consulting* – the main domain of the company.

The right way to manage brands is to adopt a strategic brand management process that has four main steps: identifying and establishing brand positioning, planning and implementing brand marketing programs, measuring and interpreting brand performance and growing and sustaining brand equity (Keller, 2008, 38). But in the case of start-up marketing approach it is unrealistic to state that companies must adopt this process. In fact, entrepreneurs or managers can adopt the first step because the brand positioning is a projection of what and where that brand would like to be in the following 3-5 years. It is of paramount importance to do this because „*without knowing your destination, no road will get you there*”.

2. *Segmentation – targeting – positioning*

Talking about B2B services start-ups, there is a real need to segment the market in order to choose the target market segments. Therefore, every company should position itself, with the help of the marketing mix elements. For example, in the case of a potential B2B services company that offers management consulting services, the main segments of the market can be: non-governmental organizations, small and medium enterprises, state institutions and organizations, multinational companies. Hence, the company can target the first two market segments mentioned first. The positioning of the company can have the following characteristics: a specialized offer that is composed by management consulting services related to management styles, managerial decision-making process and change management. The tariffs for these services are defined after the first discussion with the potential customer (the first half an hour discussion is free and for the following discussion there is a standard fee). Regarding the offer, we consider that its dimensions must be adapted to the size of the start-up; a large offer can be seen as unprofessional in the case of a start-up with a small number of employees (as it happens usually). There are also several elements that define the company's positioning.

4.2.2. *Operational marketing approach*

After having designed the main marketing guidelines that form the strategic marketing approach, it comes to implementing practical measures that constitute the operational approach.

In this context, the first step would be that of creating a relevant visual identity to communicate the differentiation, the mission, the vision and so on. In our view, a minimum set of visual identity elements should include: a logo, visit cards, prints (brochures, posters, roll ups or banners, depending on the target) and a website is a must. If the marketing budget allows it, we would suggest also some physical evidence, such as cups of coffee, pencils or a calendar with the firm's logo that should be placed in the office.

Another important aspect refers to a certain etiquette that should represent the firm and its people and which should consist of some dressing and speaking patterns.

Start-up marketing: how to become a player on the B2B services market in Romania

As services involve working directly with clients, the looks and the approach are important. That is why an adequate outfit should be a must when meeting clients or when participating at conferences, round tables or other kinds of relevant events.

A significant amount of all start-up marketing efforts should be directed, from our point of view, towards creating and maintaining a relevant and visible online presence of the firm. A first step in this context would be that of creating a website and continuously optimizing it in order to reach the target effectively. In the services field, we believe that the purpose of the website should be that of presenting the firm, meaning the team and its capabilities, experience and so on. Therefore, the website should be really simple and human-oriented, meaning that we would expect to see pictures of the people and a few words about and from each of the team members.

Besides the website, there should be an implication in what means relevant online communities. A blog is a useful tool in this context. We would suggest a thematic blog that has to do with the business itself, not a personal blog of a team member because in the first case, the impact compared to the effort is more consistent than in the case of a personal blog. Reading other relevant blogs and making comments to the posts is also a useful action because it gives you the chance to get known and to network within that particular business community. Forums are also useful for this purpose and, moreover, they are a way of keeping in touch with relevant news and also a source of knowledge. Online networking could also be done by the means of professional platforms, such as facebook.com, but these are rather for individuals than for businesses. Still, in the services fields, the social capital of each of the team members can, in some cases, be decisive for the business, as a whole.

Although it rarely happens that a firm in services can gain costumers from the Internet, a relevant online presence contributes significantly to the development and consolidation of the brand notoriety. That is why we would also suggest subscribing the firm within online business catalogues or other websites that advertise. Finally, the online marketing actions should also consist of the creation and the delivery of a newsletter with information from the business field and also regarding the firm itself. The newsletter should be delivered to all important collaborators, clients, suppliers and other entities with whom the firms interacts, as it is the most effective way of maintain a constant relationship with all these entities.

All these potential online marketing actions have the advantage of being almost completely with no financial efforts and can be done in-house, but performing them involves a lot of time, that is why a careful analysis should be conducted before deciding the online marketing mix in order to perform the best benefits versus efforts mix.

The core of all marketing efforts of a start-up in services is, from our perspective, networking. Networking contributes to the purpose of becoming notorious on the market and, most importantly, it's the aspect that provides the services firms with an important amount of their customers, mainly by the means of recommendations. Although it might seem that making contacts is something that just happens as the firms interacts with more and more entities, networking is something that should be managed properly, we believe. In this sense, our opinion is that it

Management & Marketing

should be developed a networking strategy that should include participating at all relevant events, connecting with relevant people, sharing contact details and, most vital, maintaining the relationship developed. For this, there should be a permanent process of connecting and reconnecting with each of the relevant contacts, using the telephone, the Internet, organizing events and inviting them, sending holiday cards, delivering newsletters, keeping in touch with everything that occurs to them.

The operational marketing approach of a start-up should also include, in our opinion, an internal dimension that should focus on setting up some processes and instruments that are implemented internally, inside the organization, but which contribute to the overall marketing efforts of the firm. In this context, we believe that a competition database is of major importance in today's competitive markets. This database should include the major competitors and be updated with every relevant thing that happens on the market and that can be associated with one of the competitors. Also, a client database could be very useful in order to track the relationship with each client from the first contact, to signing the contract and delivering the service. Special fields that should appear in this database could be the firm's or the manager's anniversary, major accomplishments of the client in its activity etc. It's important to react to these events, as they are good opportunities to consolidate the relationship with the client because these details show him that he matters in the context of his provider's activity.

In the same context of organizing the internal procedures and instruments, internal marketing should be a must in every firm, and even more in services, as services involve people, before anything. In this sense, there should be a constant focus on identifying and satisfying the needs of the employees and also on developing capabilities that enable them to provide the services correspondingly to the clients' needs. The internal marketing actions may vary depending on the dimension of the start-up, the personality of the entrepreneur, the specific of the business or other aspects, but some „golden rules” are, in our opinion, the followings: acknowledging employees' merits and giving rewards (verbal, promotions etc.), coaching them with the purpose of facilitating their professional and personal development, investing in training them and stimulating them by the means of interesting tasks and so on. It is also essential to have some well planned procedures, such as weekly or daily *to do's* lists, scheduled meetings, a clear distribution of tasks and work packages etc., because all these aspects are vital for an effective functioning of the team. And whether a services firm is functional or not in the inside can be easily noticed by clients and that can definitely have a marketing influence, contributing in a positive or, on the contrary, negative way to the overall marketing efforts of the start-up. Moreover, it's important to focus on these aspects during the start-up stage of the business because it's more difficult to redesign an existing, but non-functional internal system, as that implies imposing new procedures to people which, on one hand, can be difficult to adapt to and, on the other hand, can induce a syncope in the firm's activity.

5. Conclusions and further research interests

The research we conducted led us to the conclusion that start-up marketing is neither a particular discipline, nor practice in the Romanian business environment. The situation is not surprising, if we take into account that it doesn't even exist a widely known and accepted Romanian definition of start-ups.

Yet, the new paradigm determined by the EU membership makes it more difficult for start-ups, including those in the B2B services market, to earn a position on their relevant market, the first steps and marketing efforts being decisive in setting up the business. Therefore, a particular marketing approach for start-ups should exist, as in the case of the Western countries.

Unfortunately, Romanian entrepreneurs have only two alternatives: resorting to general marketing resources and practitioners they can find inside the country or trying to reach foreign start-up marketing resources. But the last alternative is rather difficult and, in what concerns start-up marketing practitioners, almost impossible.

Consequently, we believe that it exists a high interest in the development of start-up marketing as a discipline and practice in Romania, but we acknowledge the fact that, in order to do so, further research should be conducted among Romanian entrepreneurs. We believe that the process of development should, therefore, begin with greater efforts in the literature and research area, the findings being afterwards susceptible to convince marketing practitioners to focus on beginning to develop and to deliver marketing consultancy and other services for start-ups.

References

- Brătianu, C. (2006), *Management și marketing. Concepte fundamentale*. Bucharest: Comunicare.ro
- Chiagourins, L., Wansley, B. (2003) Start-up marketing. *Marketing Management*, 12(5), pp. 38-43
- Christopher, M., Payne, A., Ballantyne, D. (2002), *Relationship Marketing. Creating Stakeholder Value*. Butterworth Heinemann.
- European Commission (2007), *Annex to the Report of Expert Group. Models to Reduce the Disproportionate Regulatory Burden on SMEs. Complete list of Proposed Good Practices*. Retrieved November 2008 from: http://ec.europa.eu/enterprise/entrepreneurship/support_measures/regmod/regmodannex.pdf
- European Commission (2008), *A Single Market for Services*. Retrieved November 2008 from: http://ec.europa.eu/internal_market/top_layer/index_19_en.htm
- European Commission (2008), *Employment in Europe*. Retrieved November 2008 from: <http://ec.europa.eu/social/main.jsp?catId=119&langId=en>
- Folcuț, G. (2007), Construction exceeded agriculture in terms of contribution to GDP. *Standard Newspaper*, Retrieved November 2008 from: http://www.standard.ro/articol_22337.
- Gagiu, F. (2008), Financing of 100% for the SMEs which transfer their businesses. *Financiarul Newspaper*, Retrieved November 2008 from: http://www.financiarul.com/articol_8238/-financing-of-100-for-the-smes-which-transfer-their-businesses-.html
- Keller, L.K. (2008), *Strategic brand management. Building, Measuring, and Managing BrandEquity*, Third Edition. Pearson International Edition.

Management & Marketing

- Kotler, Ph., Armstrong, G. (2001), *Principles of Marketing*, Ninth Edition. New York: Upper Saddle River.
- Lafuente, E. M., Driga, O. (2007), *1st Report on Entrepreneurial Activities in Romania*. Centre for Entrepreneurship & Business Research, Retrieved December 2008 from: <http://www.kfacts.com/uploads/File/WP012007.pdf>
- McDonald, M. (2008), *Malcolm McDonald on Marketing Planning. Understanding Marketing Plans and Strategy*. Kogan Page.
- Ministry for Agriculture and Rural Development 2008, *National Program for Rural Development 2008*. Retrieved November 2008 from: http://www.madr.ro/pages/dezvoltare_rurala/pndr_versiunea_consolidata_21.07.2008.pdf
- Ministry of Education, Research and Youth (2008), *Fundamentation Note of the Government Decision no. 170/2008*. Retrieved December 2008 from: <http://www.gov.ro/upload/articles/103069/nf-hg170.pdf>
- Money Express (2008), *Lidero. Oameni de afaceri romani de top dezvaluie secretele din spatele cifrelor*. Bucharest: Catavencu SA.
- Romania Central (2008), *Romania in the EU – New Roads for Real Convergence?*. Retrieved November 2008 from: <http://www.romania-central.com/economy-of-romania/the-economy-of-romania/32-macroeconomic-development-in-romania-1989-2006/322-sector-development-in-romania/3221-romania-real-sector/>
- Romanian National Trade Register Office (2006), *Statistics of registered companies according Governmental Decision No 166/2003*. Retrieved November 2008 from: http://www.onrc.ro/statistici/studenti_31_12_2006.pdf
- Schein, E.H. (2004), *Organizational Culture and Leadership*, 3rd ed. San Francisco: Jossey Bass Publishers.
- Solicitor's Guide for Sectorial Operational Program Increase of Economic Competitiveness 2007, *Operation 231 "Support for innovative spin-offs and start-ups"*, Retrieved November 2008 from: http://www.fonduri-structurale.ro/Document_Files//competitivitate/00000028/i43mx_GHIDUL_SOLICITANTU_LUI_op231.pdf
- World Bank and International Finance Corporation (2008), *Doing Business 2009. Country Profile for Romania*. Retrieved November 2008 from: <http://www.doingbusiness.org/Documents/CountryProfiles/ROM.pdf>
- ***www.bogdannedelcu.com
- ***http://groups.yahoo.com/group/marketing_lider/
- ***www.dragosdehelan.ro
- ***www.startupnation.com