

NETWORK RELATIONSHIP MARKETING STRATEGY FOR THE SUCCESS OF MICRO, SMALL AND MEDIUM ENTERPRISES IN SRI LANKA

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Abstract

MSMEs have been facing huge problems and challenges to sustain their business in the challenging environment in Sri Lanka. Network relationship marketing is a unique strategy to take a competitive advantage in the challenging environment and change marketing activities. Little efforts are enforced to understand the network relationship marketing for MSMEs in Sri Lanka. This research explores the dimensions of network relationship marketing strategy in MSMEs, which serve as decisive dimensions for developing network relationships in the MSME market. This research applied qualitative methodology. Data were obtained by interviewing owners of MSMEs in Sri Lanka. The coding method was applied to identify the dimensions of the network relationship marketing strategy. Three major dimensions were produced for network relationship marketing: intensive network relationship marketing, business network relationship marketing, and social network relationship marketing strategy. The dimensions of intensive network relationship marketing strategy are network relationships with customers, distributors, suppliers, employees, and competitors. Business network relationship marketing includes the network relationship with government institutions, intermediary institutions, and research institutions. Social network relationship marketing dimensions are a marketing tool, communication convergence, and power to influence. The vital part of the research is to produce new theories and dimensions of variables of network relationship marketing strategy for MSMEs. Indeed, this research revealed that network relationship marketing practices help MSMEs to manage competitive nature in a dynamic environment. This study adapted the network relationship marketing strategy as an intangible resource to take advantage of MSMSs MSMEs. The finding of the research represented and generalised to the MSMEs in the developing countries.

Keywords. Network relationship marketing strategy, MSMEs, Intensive network relationship marketing, Business network relationship marketing, Social network relationship marketing.

1. Introduction

The role of marketing has increased its scope in research and in answering prominent questions related to their survival (Gilmore et al., 2001; Gunawardana, 2016). Over the last three decades, micro to large-sized organisations have sought relationship marketing to enhance their business effectively (Reijonen & Laukkanen, 2010; Yan & Chew, 2011). Networking is a precise marketing mechanism for MSMEs suffering from resource constraints (Carson & Gilmore, 2000; Lin & Lin, 2015). Klimanov and Tretyak (2018) mentioned that the development of network relationships varies according to the context of different business environments. They also mentioned that different network structures and value driving mechanisms must be incorporated into organisations to manage the dynamic environment. MSMEs with little knowledge of foreign markets always face the choice of trying to decide which markets to enter (Carson & Gilmore, 2000). Lin and Lin (2015) indicate that network relationships appear influential in MSMEs' market selection and entry mode. All networks are not essential for all organisations (Lin & Lin, 2015). Fedorenko and Berthon (2017) expressed that focusing on the collaborative multi-stakeholder value and co-creation network relationships are essential for organisations. Entrepreneurs need to address issues or problems of marketing around a two-part construct. First, loosely define the issue or problem and then make a list of people who might offer an opinion on the issue (Gilmore et al., 2001).

Moreover, The Covid-19 environment and developing nature of Sri Lanka created problems for MSMEs to conduct their business (Gunawardana, 2020). Indeed, Gilmore et al. (2001) stressed that MSMEs need to build networking platforms; it is a prominent part of the success and survival of MSMEs. Hynes and Elwell (2016) described that organisations need to examine constructive technologies with social networking in which markets are changing, and organisations try to map the movements of the companies better to understand the firms' actions during the process. Most MSMEs in

developing countries use web-based communication as web web-based communicationlike social media, e-mail, etc. The level of analysis in network and interaction research differs according to the actors. The focus of MSMEs on network relationships is witnessed remunerative (Lin & Lin, 2015; Zeng et al., 2010). The owner or manager of MSMEs needs to develop their network relationship intelligently to gain a competitive advantage in the challenging environment (Liu & Yang, 2019; Nobre & Silva, 2014) and make changes in marketing activities (O' Donnell, 2014).

Based on the previous literature, seminal marketing strategies have been generated, but only a few studies have researched marketing strategies for the Sri Lankan context (Shivany et al., 2015). Other specific marketing strategies were developed commonly for all businesses, not for the MSMEs in crisis environments, specially covid-19 (Deyshappriya, 2020; Gunawardana, 2020;). The MSME marketing theory focused on the network marketing strategy (Baker & Hart, 2008). Furthermore, earlier research on the MSMEs suggested theories and variables of network marketing strategies (O'Donnell, 2014; Zeng et al., 2010). Gatignon et al. (2017) mentioned that firms need to adopt an innovative social networking model considering the changes in the environment and availability of new technology. Nobre and Silva (2014) suggested that new technology-based networking is essential for MSMEs. Network marketing strategy is rooted in relationship marketing strategy (Gummesson, 1994).

The network-oriented relationship theory was produced as an inter-organisationally-oriented theory exploring complex relationships and proposing a network for the business environment (Moller & Halinen, 2000). . Earlier researchers formulated a network-based relationship marketing theory, even though variables and measurements were not suggested. The co-operation networking was applied for MSMEs in earlier research; the co-operation network relationship was adopted and tested on MSMEs (Zeng et al., 2010). Social network marketing strategy is part of network marketing strategy (Gummesson, 1994; Vasquez & Escamilla, 2014). In Sri Lanka, only limited efforts are enforced to understand the network relationship marketing in MSMEs (Gunawardana, 2016; Sivatheepan et al., 2018). From this evidence, it is clear that the relationship and networking needs are getting more important attention in the marketing field for MSMEs in crisis environments. Only a few organisations have realised the

need for network relationship marketing and its dimensions. Hence, it is essential to know what dimensions of network relationships need to be followed by MSMEs for a short time to manage the crisis environment and a long time for success and survival. Hence, this research aims to explore the dimensions of the network relationship marketing strategy for the MSMEs in Sri Lanka.

2. Literature Review

The literature review includes the nature of MSMEs in Sri Lanka and literature on network relationship marketing. Regarding SME development, Sri Lankan national policy framework categorised MSMEs as manufacturing and service sectors. Further, MSMEs have not less than 300 employees and an annual turnover exceeding Rs.750 Million (Gunawardana, 2016). The department of census and statistics (2013/2014) categorised MSMEs as industry and construction, trade, and services. Moreover, MSMEs are defined based on the person engaged “for industry and construction, trade and services less than 200, 35 and 75 respectively. MSMEs have limited resources such as finance, human: line, lack of expertise, and limited impact in the marketplace (Gilmore et al., 2001). MSMEs have small budgets, but smaller budgets are less complex because there is less room. MSMEs have a more straightforward structure and less restriction on internal financial resources (Loucks et al., 2010).

The network relationship is formed on the *Guanxi*, and it is defined as the chosen relationship (Lin & Lin, 2015). *Guanxi* is derived from trust and commitment. *Guanxi* deals with everyday interactions, business relationships, networking, and transaction activities within firms. Resource advantage(R-A) theory is the theoretical foundation of relationship marketing (Hunt et al., 2006). This theory is related to a general idea of competition that explains relationship marketing as an intangible resource for the organisation. Relationship marketing developed ten relationships with relational exchange and strategic alliance (Klimanov & Tretyak, 2019).

They are the relational exchanges between producer and their supplier of goods; the relational exchanges relating with service providers; the strategic alliances between firms and their competitors; the strategic alliances between nonprofit organisations and a firm; the relational interactions between government and firms; the relational

exchanges between firms and local, state, or national governments; the long term relational conversations between ultimate customers and firms; the relational exchanges of involving channels of distribution; the relational exchanges involving functional departments; the relational exchanges between employees and firms; and the within-firm relational exchanges. In MSMEs, many considerable responses are witnessed for essential relationship behaviour (Vegholm, 2011; Yan et al., 2011).

The outcome of relationship marketing is the building of a unique company asset called a marketing network. The relationship marketing concept explains that an effective competitor in the global economy needs to be an effective cooperator in some networks (Hunt & Morgan, 1994). Fundamental definitions of networks include personal contact networks (PCNs); social networks; trade and business networks (Baker & Hart, 2008). A marketing network includes the firm and its supporting stakeholders: customers, suppliers, employees, distributors, advertising agencies, retailers, universities, scientists, etc. The firm has created profitable business relationships. Increasingly severe competitions are among whole networks of firms, with the reward going to the firm that has created a better network (Morgan & Hunt, 1994).

Networks emerge when the relationship becomes many and the complexity. The networks diversely grow and change actors, shapes, and sizes. Marketing becomes the creation, utilisation, and maintenance of this network (Gummesson, 1994). MSMEs involve in various networking without knowing their involvements; simultaneously, these networks are not regularised by owners of MSME. MSMEs apply proactive or passive networking according to the problems and issues. Indeed, the nature of networking varies continuously, occasionally, frequently, or infrequently. The level and nature of networking vary according to the need and problems of the MSMEs.

Further, Baker and Hart (2008) denoted that technological change and development increasingly impact MSMEs' way of doing business and marketing as World Wide Web, the Internet, and E-Marketing. Now mainly, this phenomenon is applied to marketing activities of MSME worldwide. This innovative technology has vast influences on marketing platforms and performance.

Vasquez and Escamilla (2014) demonstrated one of the important marketing strategies is social networking. Further, they defined social networks as bounded groups of individuals, organisations, communities, or societies that are linked, where members interact, discuss and exchange knowledge. MSMEs are major driving forces behind the country's economies. Even though they are not fully exploiting their creative capacity, they are applying this internet and web-based technology at a fundamental level. But this technology is possible to bring flourishing opportunities for MSMEs. Most popular social networks are Twitter, Youtube, and Facebook; this popularity is measured according to the level of activity presented by its members (Vasquez & Escamilla, 2014).

This social network helps to jump the hurdles of geographical barriers to interact over the world. Most of the social networks are successfully implemented for the medical, tourism, and educational field. The general implementation and flow of social network practices help MSME manage its competitive nature in a globalised environment. The firms have to utilise social network platforms like Youtube, Blogger, Linkedin, Twitter and Facebook to spread information and market their products. Organisations apply the mega concepts and best practices to use social networks. Social networking techniques are applied as a marketing tool to take competitive advantage of MSMEs. It helps to save resources by the interaction between the firm and users. Recently, a dynamic and competitive environment contains huge users for the web-based social network. This dynamic situation stresses MSMEs to retain customers and keep relationships with all stakeholders of MSMEs (Baker & Hart, 2008).

The network-based received great high attention in marketing literature. It includes an interaction mechanism among participants of the firm (Klimanov & Tretyak, 2019). Network-based relationships are more inter-organisation-oriented, exploring complex relationships and postulating a network for the business environment. The complexity of inter_organisationally -oriented approaches have focused on the exchange between buyers and suppliers of various types and between many actors at the same time (Klimanov & Tretyak, 2019; Moller & Halinen, 2000). The inter-organisational aspect is concreated based on the resource and relationship through the social and relational exchange of inter-department functions. Inter organisationally-oriented culture thinks a

diverse network of actors they are shaped by cooperation and competition. Companies and dyadic relationships between companies are embedded in networks of relationships and channel systems. There are three focuses in this network based relationship marketing namely, dyadic relationship, network relationships among actors and marketing functions. Dyadic relationship displays the traditional aims as explaining the network relationship between organisations. The network relationships among actors are several as among individuals, companies, and all other stakeholders. The network relationship perspectives arise from the marketing perspective of organisations. Parties in a relationship may be active; strong interdependences are predicted among them due to the heterogeneous resources in the market; hence, making substitution is difficult. "Competition and co-operation are the primary forces shaping relationships and networks (Moller & Halinen, 2000).

Relationships are raised based on trust and commitment (Morgan & Hunt, 1994). Organisations keep relationships with various stakeholders to deal with everyday transactions which are called relationship marketing. This relationship marketing was developed as ten dimensions of relational exchange and strategic alliances. Dynamic, ever-changing, and crisis environments include various exchanges and transactions in different ways with multi-stakeholders called networks (Fedorenko & Berthon, 2017). Networks emerge when the relationship becomes many and high complexes. (Moller & Halinen, 2000). The networks diversely grow and change actors, shapes, and sizes. Marketing becomes the creation, utilisation, and maintenance of this network (Gummesson, 1994). Even though, Social network marketing strategy is the innovative part of network relationship marketing strategy (Gatignon et al., 2017; Hynes & Elwell, 2016). Network-based relationship marketing is briefly described as the management of interdependencies between multiple business actors. The tasks and challenges of network relationship marketing involve broader and deeper interaction with external partners, both customers and other stakeholders (Lin & Lin, 2015; Moller & Halinen, 2000).

3. Methodology

This research aims to explore the dimensions of the network relationship marketing strategy of the MSMEs in Sri Lanka. This study applied the qualitative research method.

The researcher collected secondary data as concepts, theories, and research and primary data from interviews. The sample for this study was entrepreneurs of micro, small and medium enterprises. The initial sample selection was based on purposive sampling, which was followed by snowball sampling. The unit of analysis in this study was the MSMEs. Purposive sampling was utilised to select the samples. A total of 57 owners were involved in the study. Out of the 57 interviews, eight were rejected by unsatisfactory responses. All interviews were recorded with the prior consent of the participants. The participants represent different industries with varying age groups and experiences.

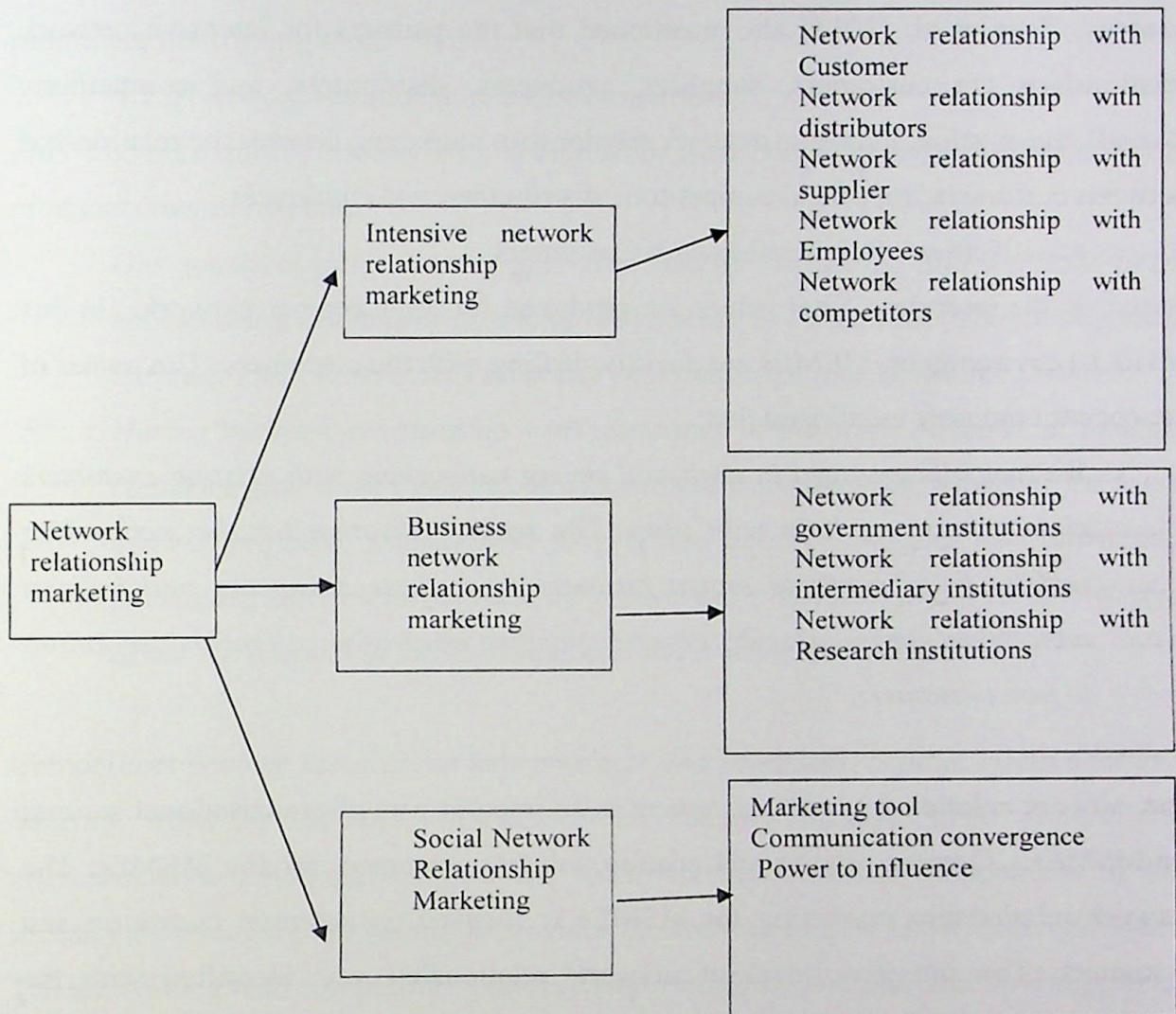
Further, the respondent of MSMEs belonged to either of the following industries in Sri Lanka: coconut products (5), palmyra (5), food products (8), cloth (5), printing products (5), handicraft (5), education (2), hotel (5), constructions (5), beauty parlours (2) and pharmaceutical industries (2). The time for the interview for each respondent varied from 45 to 60 minutes. All interviews were recorded, and the transcript was prepared based on their answers.

A coding method was applied to analyse the collected data. Under this method, the data were categorised based on the themes and concepts. The interviews were transcribed, and each transcription was checked with the recording to ensure the interviewee was well-captured. Transcribed data was then read through several times to identify the codes for the data obtained. Similar codes were put together as -sub-themes. Then, themes were allocated to similar sub-themes. Finally, themes were categorised according to the characteristics of each variable (Annexure 4).

4. Finding and discussion

Figure 1

Model of Network relationship marketing strategy



Based on the analyses of transcripts, written notes of the interviews, and literature, it can be argued that the network relationship marketing strategy of MSMEs in Sri Lanka is not based on marketing mix elements. MSMEs have developed distinct network relationship marketing to sustain themselves in the competitive market. The dimensions of network relationship marketing strategy were identified amongst Sri Lankan MSMEs based on the actors and roles of network relationship grouped across three categories, namely, intensive network relationship, business network relationship, and social network relationship (Figure 1).

4.1 Intensive Network Relationship Marketing

MSMEs need to have intensive network relationship marketing to grow and develop their business. It includes five intensive network relationships and employees (Annexure 1). These actors are the most vital part of network relationship marketing strategy. Zeng et al. (2015) also mentioned that the partners for intensive network relationships are customers, suppliers, producers, distributors, and competitors. Overall, the existing, intensive network relationship marketing denotes the relationship between customers, suppliers, competitors, distributors, and employees.

4.1.1 Network Relationship with Customers

Based on the interview, vital values are produced for the customer network. In this covid-19 environment, MSMEs are directly dealing with the customers. The owner of the coconut industry mentioned that:

We typically engaged in deep and strong networking with existing customers and built strong links with them. The main motivation for this networking activity is to generate repeat business from these customers and indirect motivation; these customers generate positive word-of-mouth recommendations to new customers.

The *network relationship with customers* is an integral part of organisational success for MSMEs. Owners require and acquire suitable customers for the MSMEs. The network relationship marketing for MSMEs is focused on potential customers and customers. The intensive level of network relationship was identified with the customers. MSMEs have been spending a lot of time and keeping continuous network relationships with customers. The *continual repeat business* arises through networking with potential and new customers. The *valuable information* about their competitors is retrieved from the customers; this information is regarding the *pricing management, products, promotion and other mixes of competitors*.

Moreover, several researches have studied the link between networking corporations with 'firm's customers. Fritsch and Lukas (2001) denoted that collaboration with the client creates more product innovations. Fischer and Varga (2002) noted that customer networks represented the most frequent form of network relationship marketing. Amara and Landry (2005) mentioned that a high level of novelty is reached through the

information source from customers or clients (Amara & Landry, 2005). Previous research highlights that customers are the leading information source for organisation (Kingsley & Malecki, 2004). The highly satisfied existing customers give positive *word-of mouth* (Carson et al., 1998). This result proves that customers as the most prominent networking tool.

4.1.2 Network Relationship with Competitors

This finding explored the *network relationship with competitors* for MSMEs. Food producers mentioned that:

Our products did not meet approved quality standards, and we have been encountering difficulties in selling the product in the market. The joining with the trade association takes an active role and helps to address this problem.

Having network relationship with diasporas in the same business in foreign countries gave huge benefits, they facilitated marketing opportunities for local natural products, encouraged to produce quality products with attractive packaging, advised to innovate all processes in business, and gave knowledge about the product in foreign countries and investment facilities.

Competitors provide ideas about new products and processes, capital, equipment and industry trend of MSMEs. MSMEs collaboratively arrange trade shows and international and national exhibitions. MSMEs meet outside competitors in the industry by arranging the forum. It provides the sources of new knowledge and ideas. The networking with competitors generated information about potential new suppliers. This network relationship focused on the *in home market (local competitors), national and international competitors, business associations, diasporas and business colleagues and friends*. This network relationship is also related to the trade or professional association network relationship. MSMEs maintain an extensive level and strong network relationship marketing with competitors. The most important benefit from network relationship marketing is to *obtain information about competitors*.

The previous researchers described that competitors' association helps access the innovative developments (O'Donnell, 2004). Moreover, these networks create the possibility to meet people/ rivals within the industry. Competitors desire to *share potential information about suppliers, competitors, and customers*. Particularly the

critical piece of *information which are regarding the bad debts, affordability, and their ability to pay off credits regarding customers, are gathered from networking with competitors* (Jack et al., 2004). Previous research highlighted that “this network relationship leads to avoid mutually destructive and aggressive competition (Jack et al., 2004). A study on MSMEs in China revealed that a network relationship with international firms offered innovative ideas and new market opportunities to foothold into a market (Liefner et al., 2006).

4.1.3 Network Relationship with Suppliers

The *network relationship with suppliers* for the MSMEs brings tangible market opportunities. MSMEs deals with potential and other suppliers. The owner of MSMEs(Palmyrah) explained as:

We maintain good relations with suppliers to negotiate better prices for the valuable raw materials. Further we acquire the 'supplier's' expertise and knowledge regarding our resources.

These network collaborations eliminate the competitive nature to access raw materials and keep reasonable prices for the MSMEs. MSMEs should endeavour to follow smooth network relationship marketing to access the best value for their services; owners should continuously monitor a group of suppliers through these network relationships.

This network relationship marketing helps increase product quality and service quality and reduce the cost of productions for MSMEs (Sharma & Sheth, 1997). Network relationship with supplier offers the brand name, brand image, and reputation from the quality raw material for MSMEs (Hoang & Antoncic, 2003). Moreover these networking relationships provide information about the competitors (Jack et al., 2004). Chung and Kim (2003) described that firms induce produce quality, flexible nature, and market adaptability by this networking; it reduces the risk and leads time of product development in firms. In particular, suppliers are valuable sources of information to develop or improve products (Nieto & Santamaria, 2007).

4.1.4 Network relationship with employees

All functions are closely integrated, and information is communicated internally and externally via formal and informal communication among employees and departments.

The owner of the printing business explained that:

We have great employees, they are very up to date with what they know, they are attending to training, workshop and seminars, they are participating in decision making regarding the productions.

This network relationship also reveals that MSMEs receive advice from their *employees* regarding an issue of firms. Employees are categorised as permanent and temporary. MSMEs have a strong network relationship tie with these employees. The owners of MSMEs seek confirmation of their decisions from employees. Moreover, the key benefit of network relationship marketing with employees is gaining ideas about the new products. The key strategy with inter-department and cross-sectoral networks developed smooth information flow and resource movements to firms. It is important to integrate all employees of departments or units to create a smooth process in MSMEs.

Moreover, focusing on this formalised network relationship activity generated new knowledge and protected from the threat of knowledge loss (Cisi & Sansalvadore, 2019). MSMEs need to interact with workers to receive advice regarding an issue of firms. The owners of MSMEs allow employees to participate in Planning and decision marketing (Corredoira & McDermott, 2018). Firms gain ideas for new product offerings, generate new knowledge, and protect from the threat of knowledge loss through this network relationship.

4.1.5 Network Relationship with Distributors

Network relationship reduces the unethical behaviour of intermediaries by imposing reasonable prices and clearly displaying discounts and other promotional aspects to customers. The owners of MSMEs (cloth productions) are mentioned ,

We have network relationship tie with distributors to prevent switching these distributors from our business to 'competitors' business. Further, they request and impose less allowance on the sales of the product.

Network relationship with distributors improves the sales of MSMEs. Distributors are categorised as wholesalers, retailers, agents, logistics and transportations. These suppliers are essential to MSMEs, and MSMEs have extensive and strong network relationships with the suppliers. The findings of this research revealed that the network relationship with distributors facilitates the smooth supply of products to customers.

The intensive network relationship provides ideas to produce a valuable product from the feedback of customers. O' Donnel (2004) also mentioned that the network relationship facilitates to share of the 'suppliers' market and expertise knowledge and customer feedback. This network relationship makes adequate sales and a smooth supply chain of MSMEs.

4.2 Business Network Relationship

Government creates policies to tie and interact MSMEs with government departments, research organisations and intermediary institutions (Annexure 2). The network's relationship with Government departments include innovative service departments, information service departments and supervisory service department. The intermediary institution covers the technology intermediaries, technology market, industrial associations and venture capital organisations. The research institutions are universities, colleges, technical institutions, specific research institutions and centres. Owners of MSMEs have the diverse network contacts with each institutions and they receive a variety of business benefits and increase business capacity.

4.2.1 Network Relationship with a Government Institution

The MSMEs need to interact with *government institutions* to start their business and register the business. The owner of the pharmaceutical industry described that:

We started our business after the training given by the government departments. In addition, they were instructed to follow the environmental rule, quality standards and innovative intellectual knowledge transfer. Initially, we approached government institutions (local authorities) to get approval to start a business, then we approached divisional institutions to get a license and environmental authority to complete environmental rules. Moreover, we approached IDB and the department of industries to get training. We approached banks to get loan.

The MSMEs 'haven't a dominant level of network relationship with the government institutions. Government institution facilitates machinery, equipment, training and development and provide information regarding tax, interest rate and environmental rules and regulations. Moreover, time to time MSMEs are informed new policies regarding the tax, international export rules and infrastructure development activities by government departments, especially in this Covid- 19 situation.

The government in U.K. and U.S. created policies to innovate the small institutions (Hewitt-Dundas, 2006). In Sri Lanka, six policy intervention strategies were produced by the Ministry of Industry and Commerce under the National policy framework for sustainable MSMEs development viz, "*enabling environment, appropriate technology, entrepreneurial culture and skills development, access to finance, market facilitation and research and development*" (Gunawardana, 2016). Moreover, this policy focuses on ten major business support areas: finance, technology, access to information and markets, business development services, linkage formation, infrastructure, legal & regulatory framework, industrial relations and labour, entrepreneurship skills, and environmental issues. Moreover, suitable government institutions were assigned to work with these policies. Ministry of industry and commerce works with enabling environment, ministry of skill development and vocational training works with entrepreneurial culture and skill development (Gunawardana, 2016). Ministry of science, technology and research deals with modern technology applications and research and development. The Central bank of Sri Lanka works for access to finance. TheThe Ministry of Industry and Commerce, Chambers, EDB and Department of Commerce offer market facilitations. The government created important network relationships among formal and informal governance and MSMEs (Biggs & Shah, 2006).

Moreover, the purpose of this network is enhancing innovative technology and knowledge by establishing public institutions. Earlier studies described that government intervention towards MSMEs is not in a sufficient level (Doloreux, 2004). Matt and Wolff (2004) stressed that strong collaboration of government with the business institution is essential to develop MSMEs. This collaboration endeavours for the long run for the success of MSMEs.

4.2.2 Network Relationship with Intermediary Institution

The first and most important benefit of networking with these actors in the financial and personnel assistance they receive. A more general networking benefit is the information, advice, and reassurance that the managers receive from the intermediary institutions. Micro producers of the construction industry are mentioned as:

We access repair services regularly, or from time to time to repair our machinery, we rarely access media, but sometimes we access consultancy service from private and public institutions to manage our problems.

There are no limits to the functions from the Intermediary institution. These functions are sharing production technology, including the packaging, labelling and quality standard technology, communication. Financing, technology innovations and commercialisation (Nieto & Santamaria, 2007). MSMEs follow only the average level and strength of network relationship with intermediary institutions. Howells (2006) revealed that intermediary firms who play diverse roles for MSMEs with the aspect of the financing, technology innovations, training, media, venture capital and product designing; build bridges in different ways with MSMEs (Zeng et al., 2010, p. 184). Intermediary institutions serve in communication, forecasting, diagnosing, information gathering, intelligence sharing, outcome evaluation and commercialisation (Nieto & Santamaria, 2007).

China promoted MSMEs by establishing "Productivity Centers" Technology Business Incubator" and "Productivity Centers" (Zeng et al., 2010). MSMEs get the technical information and laboratory tests from the network of intermediary institutions jointly working with universities and firms. MSMEs have personal networks as a networking resources to strength their startup businesses and access networking consultant to survive for long term (Franco, 2018). MSMEs need to interact with intermediary institutions to access sources from outside of the firms, namely, new technologies, new market opportunities, economies of scale and sharing risk which are beyond the capabilities of MSMEs (Fischer & Varga, 2002).

4.2.3 Network Relationship with Research Organisations (R.O.s).

Firms conduct researches regarding the development of MSMEs and provide intellectual knowledge support; they are called *research organisations (R.O.s)*. MSMEs interact with universities, colleges, technological institutions and research centres.

The owner of the food industry mentioned:

We are interested in getting consultancy, accounting system, improvement ideas, green products, food testing, innovative products and market research information from the researches of universities.

Universities, technological institutions, colleges and research development boards of specific sectors have been conducting research to develop the MSME sector (Drejer & Jorgensen, 2005). Nieto and Santamaria (2007) stressed that government encourages R.O.s to collaborate with specific industries. Firms related to the communication sectors, technology services, machinery producers and material producers are corporately conducting research with universities and technical institutes. Various advantages from the collaboration with the research institutions; mainly sharing knowledge, technology transfer, R& d outsourcing, joint research activity, technology trade, formal collaboration in research, training, producing skilled workforce and graduates with diverse knowledge. Liefner et al. (2006) diagnosed the support activities of research departments and universities toward MSMEs.

This research institution helps to reduce transaction costs, mend the market failure, reduce the risk of firms and increase productivity. MSMEs need to collaborate with educational institutions and research institutions to access new knowledge in developing countries (Liefner et al., 2006). Universities produce skilful and intellectual graduates, which is seedbed for MSMEs in Malaysia (Razak & Saad, 2007). Networking collaborations with university drive powerful changes in technology and science. MSMEs considers the research firms as crucial partners for facilitating supportive services.

4.3 Social Network Relationship Marketing

Social network relationship marketing is described with three dimensions in this research: marketing tool, communication convergence, and power to influence

(Annexure 3). The owners of MSMEs understand social media networking as the cheapest communication tool to develop their business. They have intensive level and average network relationships through social media.

Owners of beauty parlours mentioned as:

We have been using Facebook to disseminate information about our products. Many customers access Facebook and buy the products through social media information; it is a very cost-effective tool to disseminate information.

Managers of Small and medium-firm mentioned as:

We have been facilitating e- word of mouth(WOM) for our hotel business to express customers' experience and referral programmes to induce customers to purchase our services.

Vasquez and Escamilla (2014) explained the dimension of namely marketing tool, communication coverage and power to influence. It was identified that media participation through social network relationships is not adoptable for this MSME domain in Sri Lanka. The advantages and disadvantage of social media networking is sensitive and vary to business to business. The user involvement in the media allows and co-creates for the own advertising. Sharma et al. (2020) proved that social network is a powerful tool to induce customer engagement toward the product and service of MSMEs. Social networks can provide valuable, transparent, real-time information and consist of massive and rapid dissemination of a message over the web.

This information flow through the social network creates challenges for marketing services and products due to the little control for social network communication. Firms disseminate information and direct suggestions to brokers, buyers, and the general public considering social media policies. Social media can empower the user to influence the behaviour of others through word of mouth communication. Users transmit information regarding the first instance satisfaction through emails; then through referral programmes of friends, this network is built around a common market segments. Nobre and Silva (2014) described that WOM plays a role in expanding awareness, sharing information about the company, greater coverage of consumers at territorial level, and managing negative WOM impacts. Social media creates benefits and

difficulties; this situation creates uncertainty and risk to the consumer. Firms and users plan well to apply these strategies to reduce the risk. Moreover, Fuller and Matzler (2007) indicated the virtual customer integration, that is, the customers are virtually integrated into a company's process which could provide valuable input for new product development.

5. Conclusion

Network marketing strategy is rooted in relationship marketing strategy (Gummesson, 1994). The network-oriented relationship the complex relationships and postulates a network for the business environment (Moller & Halinen, 2000). Networking explains complex relationships; the relationship and networking needs are getting more important attention in the marketing field. The outcome of relationship marketing is the building of a unique company asset called a marketing network. Social network marketing strategy is part of network marketing strategy. Only a few organisations have realised the need for network relationship marketing and its dimensions. MSMEs have faced huge problems and challenges to sustain their business in Sri Lanka (Gunawardana, 2016; Sivatheepan et al., 2018). Liu and Yang (2019) mentioned that the owner or manager of MSMEs needs to develop their network relationship intelligently to gain a competitive advantage in the challenging environment and make changes in marketing activities. In Sri Lanka, only limited efforts are enforced to understand the network relationship marketing in MSMEs (Gunawardana, 2016; Sivatheepan et al., 2018).

This research aims to explore the dimension of network relationship marketing strategy for the MSMEs in Sri Lanka. Many researchers explained the network relationship from different angles. Lin and Lin (2016) revealed that SMEs strongly depend on the network relationship for their success. Klimanov and Tretyak (2019) generated a network based business model for the B2B market, which included interactions among actors and addressed the complex nature of interactions. Jones et al. (2013) generated a strategic network marketing model for SMEs as an inter-firm network which includes a social network as one of the networks of SMEs. Hunt and Morgan (1994) described thirty views of relationships. They also explained that the relationshipmarketing embeds the network marketing.

Networking links various actors or roles. Relationship ties different actors and roles. Marketing is rooted through each and every links and relationship. MSMEs have been facing huge challenges and problems. This research suggests network relationship marketing as an effective marketing strategy to tackle these problems and challenges. Indeed, based on the issues and needs of MSMEs, network relationships were determined.

Qualitative research was conducted to find out the dimensions and factors of the network relationship marketing strategy. The coding method is used to find out the theme of dimensions. This research explored the three novelty dimensions of network relationship marketing strategy, namely, intensive network relationship marketing, business network relationship marketing and social network relationship. Moreover, these three dimensions include factors. Intensive network relationship marketing includes five factors: network relationship with customers, suppliers, competitors, distributors, and employees. Business network relationship marketing includes the factors: network relationship with government institutions, network relationship with intermediary institutions, and network relationship with Research institutions. Social network relationship includes factors of marketing tool, Communication convergence and power to influence.

Network-based relationship marketing has special features, and they are efficient in describing the particular network relationship marketing phenomena in the domains of exchange. Three concepts are present under this research; first, the networking creates only the connections among several actors or roles; second, relationship ties these actors or roles with MSMEs a long time; third, marketing perspectives are embedded on all these network relationships. Research produced *intensive network relationship marketing* for MSMEs. Furthermore, the intensive network relationship of MSMEs describes the severe and day to day interactions, which mean continuous and frequent network relationship marketing with MSMEs. The second variable was produced from this research as *business network relationship marketing*. This variable included factors as government institutions, intermediary institutions and research institutions. Indeed, MSMEs interact occasionally and not on a regular basis with business networks. The third dimension of network relationship marketing is social media network relationship

marketing which is focused on the three roles as a marketing tool, communication convergence and power to influence. MSMEs keep high-level social media interaction with essential actors continuously and frequently in this covid-19 situation. The owners of MSMEs need to know their issues at hand, keep network relationship marketing with actors and decide the level and nature of network relationship with them.

6. Contribution of this Study

MSMEs are back born of the economy of Sri Lanka. MSMEs have been facing huge problems and challenges in this covid-19 situation; struggling to compete with large firms; their survival is questionable in Sri Lanka. Marketing strategy is perceived as a significant factor to develop a business. Marketing strategies contribute highly to mend the problematic situation and provide solutions to the problems. The nature of MSME domain differs from the nature of large firms, and this study concerned the specific nature of MSMEs to adopt marketing strategies. This research contributed by introducing a *network relationship marketing strategy* as the effective solution for the problems and challenges of MSMEs. This research produced a new concept of *network relationship marketing strategy*. It is rooted in the relationship marketing theory. Indeed, this research applied resource advantage theory as an underpinning theory. Especially, another important contribution of this research is social media networking adapted to the network relationship marketing strategy, which displays the importance of social media networking for MSMEs in this crisis environment. This research identified three novel dimensions of network relationships for MSMEs. In summary, this research contributed by suggesting this strategy for the sustainable development of MSMEs in Sri Lanka.

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