Structures of Commercialization: Actions of Informal Marketing from Brazilian Micro-entrepreneurs in a Street Market

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Abstract

At present, there are only a few researches relative to micro-entrepreneurship in street market, arisen due to the unemployment that affects millions worldwide and the difficult insertion in the labor market pushes individuals to become owners of micro-businesses, as needs for survival. Some studies show that these micro-entrepreneurs, aiming to achieve commercialization objectives, develop marketing strategies intuitively, and without any technical or academic knowledge, leading to fruitful results. Accordingly, the aim of this study is to identify the informal marketing strategies developed by micro-entrepreneurs from the street market in the center of Maceió city in Brazil. In a theoretical-empirical research, with qualitative and quantitative approach, by applying a semi-structured questionnaire, there were found results that corroborated the assumptions presented in literature, showing that these micro-entrepreneurs, at this street market, have strategic marketing positions in relation to their business.

Key-words: Micro-entrepreneurship; Informal Marketing; Street Market; Informality; Marketing Strategies; Commercialization; Brazil.

1. Introduction

Among the formats of commercialization, one of which has existed since the dawn of society to the present day, are the street markets (Edwards and Ogilvie, 2012). What is evident from this form of market is the prevalence of one type of entrepreneur who owns a small business, such as hawkers, street vendors, artisans etc. and just opted for this life or business due the lack of employment, difficult insertion in the labor market and the needs of survival (Godoy and Anjos, 2007b; Neves, 2007; Fontes and Pero, 2011).

The street markets plays as a localized socioeconomic consolidation, from the perspective of micro-entrepreneurs, and in the perspective of local consumers, requiring systematic studies in the sector (Dana, 1999; Silva Filho, 2003; Sato, 2007), because that this sector is characterized as a business hub that has advantages such as better opportunity of interactions between the business and customer, that can increase the potential sales, it also, shows up as a simple means of adding various types of products and services in a single place (Godoy and Anjos, 2007a; Neves, 2007; Mascarenhas and Dolzani, 2008).

However, in studies on entrepreneurship in Brazil and worldwide, despite different approaches and numerous studies related to micro and small companies, have been given little relevance to the thematic of small local markets such as street markets (Hesperha, 2009; Lelis et al., 2011).

Moreover, there has been a growing demand for small markets due to the increased purchasing power in the population of lower class, creating an environment of fierce competition within these markets (Bosire and Gamba, 2003; Sales, Rezende and Sette, 2011). Arises, then, the need for micro-entrepreneurs to develop management capabilities and skills in their business to maintain competitiveness, even without technical or academic knowledge (Corbett, 2005; Harrison and Leitch, 2005; Franco, 2007).

Bosire and Gamba (2003) showed that entrepreneurs in small markets have developed empirically marketing strategies and sales in informal forms, aiming to stand out against competitors from sustainable competitive advantages.

This happens because the daily business environment influences the social and psychological behavior of the individual, through cognitive processes, so that the individual eventually develop potential skills and abilities which include strategic management and marketing (Mueller and Thomas, 2001; Pimentel, 2007; Santos, 2008).
What is happening is that there are no studies of marketing on this area, especially by the demise of data and research related to these small markets. This includes street markets, concerning the marketing studies. Thus, the assumption that the prospects of marketing management and innovative initiatives are not restricted to specialized managers, but open to micro-entrepreneurs that lack academic skills in management and that eventually develops marketing strategies for their businesses.

In order to understand the marketing strategies of micro-entrepreneurs in these markets, it is needed to analyze marketing structures used by these individuals. Based on the context of the city of Maceió, in Brazil, where there are large informal market centers, street markets and clusters of micro-enterprises, as evidenced by Pastl Neto (2001) and Lins et al. (2010), the aim of this study is to identify the marketing strategies informally developed by micro-entrepreneurs in a street market that is in the center of Maceió city. We sought to raise the marketing compounds used by micro-entrepreneurs in this street market based on the constructs of product, price, place and promotion, also observing consumer behavior and socioeconomic context.

2. Theoretical Review

2.1. Premises from Micro-Entrepreneurship

Shaped as self-employment, micro-entrepreneurship has its onset, remitted to the decrease of labor supply in the fields, due to the use of technologies in agricultural production, and subsequent increase of the rural exodus (Baptista, Escária and Madruga, 2005; Franco, 2007; Fontes and Pero, 2011).

Indeed, the formation of micro-entrepreneurs within the business market has become symptomatic, it has been based on entrepreneurship by necessity (Souza, 2012), which according Pastl Neto (2001) and Hespanha (2009) is characterized by individual entrepreneurs - street vendors, artisans, creative people in varied business, creators of their own jobs – in search of an alternative to their unemployment situation.

On the other hand, theories of entrepreneurship suggest fundamental characteristics of the entrepreneurial the creativity, innovation, willingness to take risks, and ability to solve problems (Santos, 2008), features that are understood as well developed in micro-entrepreneurs (Hespanha, 2009). As stated by Hespanha (2009, p. 248), these individuals have "the competence determined to detect and seize business opportunities, regardless of whether or not to have own resources", taking into account that not only the environment where the venture is influences on business success, but also the smaller investments, such as Brush, Greene and Hart (2002) complemented.

Thus, these individuals call for an appropriate or not micro-business to their competencies; so they can bring some income, which is needed for survival (Cacciamali, 2000; Hespanha, 2009; Fontes and Pero, 2011). In most cases, the micro-entrepreneurs start their business activities in an informal or illegal way; they do not opt for regulation and legalization of business, due to bureaucratic barriers to formalization (Cacciamali, 2000; Castor, 2009).

In the particular case of Brazil, about micro-enterprises, it is worth noting that they are those with up to 19 employees, in the case of industry, and up to 9 employees, for trade and services (Castor, 2009). Nevertheless, What is worth mentioning is that until recent years, micro-enterprises found at street markets fall into a much more simplistic profile, because they faced problems related to profitability, stability, access to financing, competition with larger companies, management techniques and bureaucratic barriers to the formalization.
In this sense, the Brazilian government created the Complementary Law No. 128 on December 19th, 2008, which calls for special conditions for micro-entrepreneurs. This law proposes to legalize and formalize such individuals as Individual Micro-entrepreneurs, a special category, in which the business can have up to one employee and bill up to R$ 60 000 (Sixty thousand reais) per year. In addition, the law guarantees to Individual Micro-entrepreneurs compulsory retirement, tax reductions, fee waivers and credit and financing for projects related to the business, so that the micro-entrepreneurs can remain competitive in the business market (Spínola, 2011).

2.2. Informal Marketing

The organizational structures of micro-enterprises as well as those involved with the management of small businesses are fundamental parts to the construction of the marketing mix. The definition of marketing of Churchill and Peter (2000, p. 4), is characterized as the “the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals”. When used by micro-entrepreneurs, according to Schnaars (1997) the marketing tends to develop in a non-standardized and directed way to imitate the strategies of other companies, mainly, due to lack of specific technical and academic knowledge.

This lack of academic knowledge leads to small business strategies emphasize the immediate and fleeting answers, so that their marketing guidelines most commonly used have the philosophy of concentration in marketing activities only on sales of products and services available at the moment (Doyle, 2000; Bosire and Gamba, 2003; Nassaralla, 2006; Castor, 2009).

The creation of value for customers, is then, based in insights that the micro-entrepreneur has, when making decisions, says Peña (1999) and Bosire and Gamba (2003). The varied types of marketing whichever for products, services, people, places, cause and organization, are used by the randomly by the entrepreneur, in a intuitive way to achieve sales targets, without trespassing considerations of ethics, social responsibility, and use of technology patents, trade rights, among other questions about the use of marketing (Bosire and Gamba, 2003; Nassaralla, 2006; Lins et al., 2010).

So, the literature leads us to infer that this kind of marketing that micro-entrepreneurs used is configured in a format completely bereft, based on intuition and cunningness, and in some cases, illegally due to the invasion of public spaces and unethical due to the advertising and promotion format, but with high potential sales and financially gain; may be characterized as “Informal Marketing”.

Analyzing the marketing concepts of Churchill and Peter (2000) (already defined above) of Kotler (1998), Las Casas (2006) and AMA (2008) (American Marketing Association) (below), the authors of this study aims to develop an initial concept to informal marketing, considering to be a topic of little expansion and still without defined concept.

According to Kotler (1998), marketing is the development, control and implementation of preset programs to influence the acceptance of social cultural ideas involving considerations created for the product planning, price, market research, communication and distribution.

Another definition, proposed by Las Casas (2006), encompasses essentially the main theoretical and empirical variables of marketing management, so that the author defines marketing as:

(...) All activities related to exchange relations, oriented to satisfy the desires and needs of consumers in order to achieve certain goals of companies or individuals, always considering the
environment and the performance impact that these relationships have on the welfare of society (Las Casas, 2006 p. 10).

In turn, the American Marketing Association (AMA, 2008), an American institution of research focused on the study of marketing, has developed a concise definition for marketing, in which it is conceptualized as one activity, based on a set of institutions and processes, of creation, communication, distribution and effecting exchanges of offers that have value for customers, consumers, partners and suppliers, and society as a whole.

Based on the theories above to the conceptualization of marketing, the authors of this study proposes the integration of this definitions, with hypothesis raised about the informality in marketing compounds, making a definition for informal marketing. Thus, this initial and unpublished concept for informal marketing developed here, is intended to become a parameter for posterior studies and analyzes.

For us, Informal Marketing is all activities of intuitive creating, sensitive processing, empirical planning and execution of attitudes, oriented in an unstructured manner, without specific technical foundation, carried to the completion of transactions; characterized by processes of communication, distribution, pricing and promotion of products and services.

2.3. Marketing Strategies Based on the 4 Ps

The creation of marketing compounds involves combinations of strategic tools arranged to create value for consumers and that seek for significant sales results (Kotler, 1974; Churchill and Peter, 2000; Doyle, 2000; Gordon, 2012). The determination of these tools, according Kotler (1998) and Churchill and Peter (2000) part of the characterization of the primary marketing elements facing the target market, that are called the “four Ps” of marketing. A definition refers to four mainstays of marketing, as argued by Kotler and Lee (2011): product, price, place and promotion.

Kotler and Lee (2011) explain that the 4 Ps of marketing are the determinant elements (or mix) in marketing management. For the authors, the focus on such tools assists the manager to decide what steps to take to influence your target market in buying your product, providing an added value to the product or service that is sold.

According Maccarthy (1960), the 4 Ps of Marketing are related to daily activities of the marketing manager or the businessman. And these activities should become elemental attitudes in the marketing dynamic of any business. In table 1 are exemplified the marketing mix for the 4 Ps, as proposed by Maccarthy (1960).

Table 1:
Mix Marketing to the “four Ps”

<table>
<thead>
<tr>
<th>Product</th>
<th>Place</th>
<th>Price</th>
<th>Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Channels</td>
<td>Price List</td>
<td>Advertising</td>
</tr>
<tr>
<td>Options</td>
<td>Coverage</td>
<td>Subsidies</td>
<td>Approach</td>
</tr>
<tr>
<td>Segmentation</td>
<td>Location</td>
<td>Discounts</td>
<td>Layout</td>
</tr>
<tr>
<td>Character</td>
<td>Stock</td>
<td>Credit</td>
<td>Public Relations</td>
</tr>
<tr>
<td>Services</td>
<td>Transport</td>
<td>Payment</td>
<td>Merchandising</td>
</tr>
</tbody>
</table>

Source: Adopted from McCarthy (1960).
According to Kotler, Rackham and Krishnaswamy (2008) and Castor (2009), the establishment of marketing strategies aimed to the “Four Ps” in general, are better suited to the micro and small enterprises, due to their administrative flexibility and the proximity of sales strategies with marketing strategies that are either same or have the same trend. As for the medium and large businesses, marketing strategies have involved organizational skills of segmentation, targeting and positioning, and the sales strategies have involved pricing, cost and productivity.

These four elements of marketing have a vision of continuity, in that periodically the organization will need to program their strategies, emphasizing such compounds to management innovation (Gordon, 2012). Commonly, it is the feedback received from customers which makes marketing predictions less susceptible for failures (Kotler, 1974). So, the combination of the compounds of marketing when geared strictly for the creation of value to customer it, intrinsically, relates to the question of benefits versus the cost of products/services offered to customers, according to Churchill and Peter (2000) and Doyle (2000).

In terms of academic research, this environment investigated by the research provides the visualization of the 4 Ps strategy of marketing and informal marketing, therefore the ambience of the street markets fit into the profile of informal marketing and needs of marketing strategies of survival, that are characterized as informal strategies.

3. Methodology

3.1. Research Type

In a theoretical and empirical format, the basic structure of this research begins as a theoretical analysis and proceeds with empirical study, in the sense of the theory to be corroborated by the data collected, and vice versa, as proposed by Gil (2012). Towards to enable the study within the proposed format, the methodological processes of the present study is configured by an exploratory, quantitative and qualitative research, focused on the understanding of a phenomenon (Malhotra, 2011).

The research was characterized by analysis of the marketing strategies used by micro-entrepreneurs in a street market in Maceió, State of Alagoas, in Brazil, and the contextualization of the dynamics of the environment surrounding the street market. For this, we used a semi-structured questionnaire and an analysis script, in order to establish the results in a standardized format.

3.2. Questionnaire (Survey)

We carried out a survey with 96 micro-entrepreneurs through a semi-structured interview composed of 10 questions, with 6 were demographic questions (age, sex, education, whether it is formalized and working time in the field) and 4 specific issues related to the target market of these micro-entrepreneurs, based on the “four Ps” strategy (Product, Price, Place and Promotion).

The data collection was by accessibility, through the survey method, in which the stratification is considered a 95% degree of reliability, with a margin of sampling error of ± 5%. The sample included only 96 participants in the absence of registrations of the number of micro-entrepreneurs in this street market and the seasonality of these. Table 2 systematizes in more detail the profile of the sample of study participants.
### Table 2:

Sample data

<table>
<thead>
<tr>
<th>Variables</th>
<th>Average</th>
<th>Standard Deviation</th>
<th>Percentage</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>32.11</td>
<td>7.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Time working in the business</td>
<td>4.95</td>
<td>3.14</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Female</td>
<td>-</td>
<td>-</td>
<td>59.37%</td>
<td>57</td>
</tr>
<tr>
<td>Male</td>
<td>-</td>
<td>-</td>
<td>40.63%</td>
<td>39</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td>96</td>
</tr>
<tr>
<td>Formalized business</td>
<td>-</td>
<td>-</td>
<td>5.2%</td>
<td>5</td>
</tr>
<tr>
<td>Not Formalized business</td>
<td>-</td>
<td>-</td>
<td>94.8%</td>
<td>91</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td>96</td>
</tr>
<tr>
<td>No education (^1)</td>
<td>-</td>
<td>-</td>
<td>21.88%</td>
<td>21</td>
</tr>
<tr>
<td>Elementary Education (^{II})</td>
<td>-</td>
<td>-</td>
<td>38.54%</td>
<td>37</td>
</tr>
<tr>
<td>Middle Schooling (^{III})</td>
<td>-</td>
<td>-</td>
<td>37.5%</td>
<td>36</td>
</tr>
<tr>
<td>Higher Education (^{IV})</td>
<td>-</td>
<td>-</td>
<td>2.08%</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td>96</td>
</tr>
</tbody>
</table>

**Source:** Research date. **Notes:** \(^1\) Illiterate; \(^{II}\) Elementary school complete or incomplete; \(^{III}\) High school graduate or incomplete; \(^{IV}\) Higher Education.

Participants were approached in their workplaces at the time they were not serving a customer, then; the study was briefly explained to them and they were asked to participate in the research. The model approach to the participants was standardized, so that there was no bias in their responses, and only one trained researcher conducted field interviews.

The data obtained from the survey were tabulated in statistic software SPSS 17, and were performed the analysis of the responses of the survey participants in a quantitative manner, through simple descriptive statistics appropriate to the data collected, such as frequency and percentage, average and standard deviation.

#### 3.3. Analysis Script

To analyze the dynamics of the market environment of the street market it was developed an analysis script. This phase of the study was characterized by simple analysis in which, observations were made empirically. In the process of observation, there was collected information about the following checklist:

i. Local market and competitive environment;

ii. Customer approach and care;

iii. Merchants and customers segmentation;

iv. Layouts of establishments;

v. Promotional strategies.
4. Results and Discussions

4.1. Analyses of the market and environment

The marketing in the investigated street market has a highly intuitive character, in the sense that there is no instruction on what structurally and scientifically marketing is to these microentrepreneurs. The forms to which they develop their marketing strategies also do not have a technical model, since there is no knowledge about the type of approach, the storage process, the production processes and how to make sales.

The type of marketing involved in this informal market is developed by people, almost entirely, of low education; while the environment is also frequented daily by consumers with low education and low income. Thus, this market includes people who want to pay less for popular products or that have no superior brand value, price and quality, in other words require no more elaborate technical factor or guarantees for the product/services offered by micro-entrepreneurs. The street market becomes the characteristic by the supply of basic consumption needs for the most needy.

As a demonstration of the variety mix and commercialization format that micro-entrepreneurs from this street market have on their businesses, there was shown in the middle of the public street, a trader alongside a bike that was heaped with diverse materials for sale, as plastic bags, toilet paper, disposable cups and copybooks. Therefore, it is noticed the variety and creativity of micro-entrepreneurs in offering totally different products. Probably the small entrepreneur has no other job prospects, since at the same time of the research, he said that he was selling at that exacted moment, only what was possible to achieve with its suppliers, strengthening the assumptions of the habituation of the entrepreneur in the informal behavior.

4.2. Analysis of Communication and Sales Strategy

There is in the way of communication and negotiation of the traders, a pressure of local competition for promotion, by a popular and eclectically mode but befitting the type of customer who usually attends the street market. Intricically to this pressure, there is a stiff competition to its most simplistic form, both in the offer of products/services, as the type of communication, which involves putting known songs, draw customers who pass in the street always using good words and pampering, screaming, pulling and surrounding the client to call your attention. This process of calling the attention of the customer and the inducement to purchase is significantly related to the “wordiness” of the micro-enterprise. Thus, we see the power of persuasion, inductive context and sales techniques as a necessary competence, which the micro-entrepreneurs should develop themselves to remain within this market, as recommended by Churchill and Peter (2000).

However, it was observed very poor quality in manufacturing processes and materials used by micro-entrepreneurs in their establishments. The organization of the physical space generally occurs with all available products on display, exposed to view from any consumer who passes in front of the establishment. The street also becomes a showcase for many hawkers who end up exposing their products on the floor without any standardization in the middle of the passage. These micro-enterprises do not have any stock, and are characterized by being streamlined its organizational structure with only one employee, which in most cases is the very microentrepreneur. Still, as analyzed in a sandals shop, it was noted that the entrepreneur exposes sandals lowest price in front of the store, giving priority to the strategy of baits. For “consumers who take routine and limited decisions, the price will be especially important if one of the attributes of the product that goes into review” (Churchill & Peter, 2000, p. 164), and with this case is the
most important attribute. Probably the positioning of micro-entrepreneurs to do not put prices on their products occasioned by this strategic vision, to give vent to negotiations with customers, especially as they have a very small profit margin and not working with large discounts.

4.3. Image Analysis, Advertising and Merchandising

A model considered effective of advertising to get the attention of local consumers is the use, by micro-entrepreneurs in the street market, of false names, images and merchandising’s as false brands, aiming to give greater credibility to the product marketed as in the case of the observed sandals shop. The store used advertisements for brands such as Havaianas and Ipanema (two major brands of sandals in Brazil), even not having any products of these brands.

Another focus in the marketing strategies used in the marketplace is to appeal to consumers’ attention through religion as a form of emotional impact and appeal. As, for example, the presence, in front of several businesses, the phrases that demonstrate the religion of the dealer as: “Deus é fiel” (God is faithful), “Jesus voltará” (Jesus is coming), crucifixes images and Christian photographs, among others of the same nature. However, many establishments, only have their products for sale, and try to attract attention with different names for their establishments, as in Table 3, in which one can view the corresponding trade name of the establishment and its branch of business.

Table 3:
Trade name and line of business establishments

<table>
<thead>
<tr>
<th>Trade name (Portuguese)</th>
<th>Trade name (English)</th>
<th>Business sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recanto do Reggae Music</td>
<td>Corner of Reggae Music</td>
<td>Pirated DVDs and CDs</td>
</tr>
<tr>
<td>Shopping dos Bonés</td>
<td>Mall of Caps</td>
<td>Caps, Hats, Purses and Trinkets</td>
</tr>
<tr>
<td>Tabacaria do Vanildo</td>
<td>Vanildo’s Tobacconist</td>
<td>Cigarettes, Pipes, Tobacco etc.</td>
</tr>
<tr>
<td>Calçôes &amp; Variedades</td>
<td>Shorts &amp; Variety</td>
<td>Clothes in general</td>
</tr>
<tr>
<td>100% Vídeo, o melhor da cidade</td>
<td>100% Video, the best in town</td>
<td>Pirated DVD movies</td>
</tr>
<tr>
<td>Sandálias &amp; Cia</td>
<td>Sandals &amp; Cia</td>
<td>Sandals usually</td>
</tr>
</tbody>
</table>

Source: Research data.

Analyzing the structure of these trade names, it is possible to understand that micro-entrepreneurs tried when choosing the name for their business, use buzzwords or words that give credibility to their products, seeking the attention of consumers. Thus, these micro-entrepreneurs used words that both demonstrate the type of product that is sold, as to who is the owner of the establishment which are selling these products.

4.4. Analysis Approach

As an example of approach we have a yogurt merchant, who called customers shouting, emphasizing its low price, and also as a means of dissemination, entrepreneur sang the jingle “Olha o danoninho para o
“Seu menino, não tem bom precinho, nem bom preço, aqui é melhor preço...” (Look at the Danoninho to your children; there is no little good price, nor big good price, at here it is the best price...), a demonstration of informal marketing used at the market.

This demonstration of informal marketing encompasses a number of ethical and legal factors. First, there is the law factor, because the entrepreneur sells yogurt but it is not of the Danoninho brand, and thus he could not be using this brand corporate to denominate their product. However, this usability eventually drew the attention of local consumers, therefore, the entrepreneur uses the Danoninho brand credibility, for, in the form of deception, deceive the customer and convince you to buy his products.

Consequently, there is an ethical factor, because the entrepreneur uses the phrase “não tem bom precinho, nem bom preço, aqui é o melhor preço” (there is no little good price, nor big good price, at here it is the best price) and accordingly, he makes an allusion to the supermarket of Wal-Mart chains in Brazil, Bom Preço (Good Price). From the perspective of the entrepreneur, he tries to convince consumers that their product is cheaper than in Bom Preço (Good Price) supermarkets, and it alludes to the name of the supermarket. Such usability is common among micro-entrepreneurs and street markets, as stated Sales, Rezende and Sette (2011).

4.5. Choice of Marketing Strategies

This section is intended to demonstrate the existence or not of logical fundament management, developed by micro-entrepreneurs, showing the management of these businesses closer to the academic management prerogatives. Therefore it was mapped the reasons for choosing the marketing strategies used by micro-entrepreneurs through a semi-structured interview with detailed procedures in the methodology section of this paper.

4.5.1. Product

Initially, analyzing the reason for the choice of the marketed products by investigated micro-entrepreneurs, as can be seen in Table 4, it appears that “know well the product/service”, with 35.41% of responses, was most strongly driven by the respondents, which is a relevant variable in the management of various types of business, according to Drucker (2003).

Table 4:
Reason for choosing the product marketed

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know well the product/service</td>
<td>34</td>
<td>35.41</td>
</tr>
<tr>
<td>The opportunity arose to work with the product/service</td>
<td>31</td>
<td>32.29</td>
</tr>
<tr>
<td>The product/service has great demand (sells enough)</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Like to sell this product/service (affinity with the business)</td>
<td>7</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research date.

For authors such as Churchill and Peter (2000), Doyle (2000), Kotler and Lee (2011) and Brettel, Strese and Flatten (2012), to be familiar with the market and product or services sold, as well as the dynamic of
the competitive environment makes the decision making more concrete, increasing the potential effectiveness of the marketing results, and greater likelihood of success of marketing campaigns.

The interviewed micro-entrepreneurs generally justified their answers, saying they knew the product well or had worked before with the product that was being sold. In other words, possibly the concerns of these micro-entrepreneurs of opting for a business in which they have obtained knowledge, point to a more competitive management force, as stated by Churchill and Peter (2000).

Consequently, with the answer “the opportunity arose to work with the product/service”, scoring 32.29%, it confirms the idea that many of these micro-entrepreneurs are in this market for survival, in which the justification for such responses relate to the opportunity of a job, and not to assumptions related to entrepreneurship by opportunity, linked to creativity, innovation and knowledge management, as advocated by authors such as Franco (2007) and Santos (2008).

4.5.2. Price

The analyzing the factor price established by measuring the pricing methods used by micro-entrepreneurs interviewed, in table 5 it can be viewed the answers relating to why of the choice of the prices for the products.

**Table 5:**

Methods of product pricing

<table>
<thead>
<tr>
<th>Methods</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is based on the cost of the product/service (the lower the cost, the lower the price)</td>
<td>38</td>
<td>39.58%</td>
</tr>
<tr>
<td>Is based on a desired profit margin</td>
<td>24</td>
<td>25%</td>
</tr>
<tr>
<td>It is based on the price that the competition uses</td>
<td>20</td>
<td>20.84%</td>
</tr>
<tr>
<td>It is based on the customer profile</td>
<td>14</td>
<td>14.58%</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Research data.*

Displayed in table 5 is that the method of pricing for products marketed, “it is based on the cost of the product/service (the lower the cost, the lower the price)”. Pricing strategy based on cost for these micro-entrepreneurs, lies highly dependent to the amount at which they paid to the supplier. Propositions of Churchill and Peter (2000) also corroborated by results of Lins *et al.* (2010) show that this strategy used by small business owners sometimes do not regard expenses, gross profit margins, working capital and return, making it a strategy heartedly, weakening the company for any eventualities.

Moreover, it can be seen that the second highest score pricing method was have as “is based on a desired profit margin” in which the price of the product will be available depends on how much is the profit, after the payment of goods and general expenses. Such strategy, for many authors, as Doyle (2000) and Kotler, Rackham and Krishnaswamy (2008), possibly possess greater strategic soundness because it establishes a pricing criteria based on the real needs of the business, which in turn, to choose the price of your product, commonly, as stated by Santos (2008), tends to analyze the suitability of their business to their survival.

Similarly, the pricing method “it is based on the price that the competition uses” with is 20.84% of the responses, understands certain resemblance to the strategy based on cost, because these micro-
entrepreneurs who are based on competitors, in general, have a strategy of imitation, and in case of commercial eventualities and managerial needs, according Schnaars (1997), it is likely that the decisions are inconsistent by the lack of commercial structures. Although, when based on the competitor, according to Churchill and Peter (2000) is a way to stay competitive, which shows that, in general, the strategies used have a logical fundament.

4.5.3. Place

Analyzing the reason for choosing the marketing point (Table 6), checking that the variable “proximity of potential customers” and “availability of the place”, both with a score of 29.17%, were the most driven by micro-entrepreneur’s respondents, indicating that these micro-entrepreneurs chose determined point, precisely by the kind of market, i.e. a Street market. Kotler and Lee (2011) state that location of enterprise is one of the most important factors for organizational success. According to the authors, the world is geared towards convenience, and the time spent for certain behavior highly valued. To this, it is understood that hardly a marketing campaign will succeed if the location is not appropriate for your target audience, or offer access difficulties.

Moreover, with 18.75% of the responses, the variable “informality (don’t want to or cannot afford to be formalized)” probably was indicated due to some supposed advantages revealed by interviewed micro-entrepreneurs, as no obligation to issue invoice or payment of location fees and sales taxes, those aspects that make these micro-entrepreneurs believe they have higher profitability.

**Table 6:**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity to potential customers</td>
<td>28</td>
<td>29.17%</td>
</tr>
<tr>
<td>Availability of the place</td>
<td>28</td>
<td>29.17%</td>
</tr>
<tr>
<td>Type of product is only sold in this site</td>
<td>22</td>
<td>22.91%</td>
</tr>
<tr>
<td>Informality (don’t want to or cannot afford to be formalized)</td>
<td>18</td>
<td>18.75%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Source:** Research data.

One can infer from the answers, that probably the respondents are divided into two groups. In this perspective, the first group of country responses “proximity of potential customers” and “type of product is only sold there” (52.08% of responses), includes micro-entrepreneurs who are in the street market by choice, or in other words, micro-entrepreneurs who viewed this market as an opportunity to develop their business, because they find themselves close to potential consumers and the attractiveness of the type of market.

Analyzing such inferences, we find certain confluences with data regarding strategic choices of product, referring to the variables “know the product/service” (35.41%) and “the product/service has great demand (sells enough)” (25%). This means that possibly the strategies has followed a pattern of marketing. Gordon (2012) proposes that the marketing mix should follow the same strategic direction, so that there are convergences between these marketing activities. So, it is believed that if the semi-structured
interview used in this study measured strategic constructs, possibly we would get high levels of alpha coefficient.

Thereby, the second group, of responses “availability of the place” and “informality (don’t want to or cannot afford to be formalized)”, encompasses the micro-entrepreneurs who possibly were impelled to the creation of a businesses in the street market, it is for not finding another more suited place to establish themselves, either because they cannot or don’t want to formalize, forcing them to settle in street markets, which has a informal market format.

4.5.4. Promotion

Putting into analysis the promotion factor, eventually developed by the investigated micro-entrepreneurs, from the answers that concern the promotion type used in the business, it appears that the major variable was the score “advertising based on price”, with 45.83% of respondents (Table 7).

**Table 7:**

<table>
<thead>
<tr>
<th>Promotion</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising based on the price of the product/service</td>
<td>44</td>
<td>45.83%</td>
</tr>
<tr>
<td>Demonstration of the product/service</td>
<td>28</td>
<td>29.16%</td>
</tr>
<tr>
<td>Draw customer’s attention</td>
<td>22</td>
<td>22.91%</td>
</tr>
<tr>
<td>Put the cheapest products or sell more with better visibility</td>
<td>2</td>
<td>2.1%</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Research data.

As evidenced by observations, products and services found at the fair in general, are of dubious quality. These products are often very similar or are the same (coming from the same supplier), and for the most part, are products of very low prices in relation to the formal market. Thereupon, these micro-entrepreneurs need to overlap their competitors somehow. What is evident is that the appeal to the price is the most used type of advertisement. Lins et al. (2001) states that the consumers of Maceió are price sensitive, which corroborates these answers.

On the other hand, Kotler and Lee (2011) and Kulkarni, Kannan and Moe (2012) argue that the demonstration of the product is an essential step to enhance the sale of the product, and that is related to one main factor, which is to draw customer’s attention to the product being sold. The responses regarding “demonstration of the product/service” (29.16%) and “draw customer’s attention” (22.91%), demonstrate greater strategic potential.

5. Conclusions and Findings

The case aimed to identify the informal marketing strategies, developed by micro-entrepreneurs of a street market in the center of the city of Maceió, Brazil, in order also to understand how these micro-entrepreneurs remain in competitive market, the strategies they used and their marketing structures.
As evidenced during the study, the focal point surrounding the trades within this market is the price of products/services. The sensibility to price is a reflection of the type of customer who frequents this environment. This is because consumers are abdicating quality, comfort, safety and other advantages that could add value to the business, to get the product for a lower price.

It should be noted, referring to promotion, specifically including the dissemination and exhibition of products, its use is intuitive and in some cases go against ethical considerations and the law, in which the lack of guarantees and quality of products and services offered is not considered, or becomes a decoy by merchants, highlighting that in this standard of smartness a high level of effectiveness in sales. This type of marketing is shown to be sufficient to attract the attention of consumers and provide local marketing.

Moreover, the micro-entrepreneurs of this market showed in their answers about the used marketing-mix, that the day-to-day business empirically develops their specific knowledge about management and logical marketing. The answers chosen by most individuals have some sort logical foundation in marketing management.

What is analyzed here, is that the formalization or participation in the management courses for these micro-entrepreneurs, probably, cannot guarantee success in business, because, add value to the business is still a deficiency for the traders that were investigated, which makes the sales marketing the most effective strategic tool for these merchants.

It appeared also that the micro-entrepreneurs of the street fair despite the limited academic knowledge in management, especially, in relation to the results administration, based in the raised marketing-mix, they have management attitudes and behavior, which were learned empirically and that comes from cognitive structural factors of survival. That is, the day to day business impels knowledge to these micro-entrepreneurs to gain competitive space, as well, to stand up to competitors, including sales power, publicity and promotion.

It is concluded in this regard, that the techniques learned in the academy can efficiently leverage the marketing, but the management experience shows many factors of leadership, creativity, psychological ability to take risks and development of marketing strategies, which shows as a natural talent of some entrepreneurs in the competitive market. Thus, as a form of support and assistance to small business owners as a whole, also on a social issue, we can encourage the creation of cooperatives and networks of association between these entrepreneurs and also promote management courses and credit support for leverage these businesses, since they have great marketing skills and consumer clusters.

The deepening of the theme through this study is undeniable and demonstrates to be relevant to the point that we developed a conceptual framework for informal marketing. Also, advances to the point that it would evidence the existence of this type of marketing in street fairs and also how to use this kind of marketing. Accordingly, the following article seeks to encourage further studies in micro-entrepreneurship, street markets and informal marketing, and thus nurture further analysis and observations in the area of small business, in order to develop lines of research that specifically investigate this issue. Still, it is believed that the creation of a maturity business scale and marketing strategy will help the understanding of the individual levels of management skills and may thus point to new learning needs and strengths of a businessman or specific business.
References


