Abstract

At present where the market is saturated by different companies in the world, the corporate image is vital and essential for the proper positioning of a brand or service in the world of business SMEs (small and medium enterprises) element. The corporate image is how customers perceive as a business, which is what defines the success or failure of it. The creation of the corporate image must be one of the first steps for an employer to organize or start a business, not only in small and medium enterprises business but in all types of marketing products or services, the picture is absolutely everything what the customer perceives in the first instance. The corporate image of a company is nothing more than a way to firmly express the brand, is the opportunity for any company to differentiate itself from the competition. This image conveys the fundamental values such as consumer confidence in the client can forge business relationship. Consumers relate very large chains and positioned with professionalism, seriousness and tranquility, therefore for SMEs is challenging companies to achieve position in this competitive market. Gradually these companies build their solid and consistent corporate identity, which does get a bit position themselves in the minds of consumers. Corporate image depends on the type of clients that captures and of course the first impression you give the company, which is essential if you want to be different and stand out from the competition.

Resumen

En la actualidad, el mercado se encuentra sobresaturado por la diversidad de ofertas y empresas. La imagen corporativa es de vital importancia y un elemento fundamental para el correcto posicionamiento de una marca, más aún en el ámbito de las PYMES (Pequeñas y Medianas Empresas). La imagen corporativa es la manera cómo los clientes perciben una empresa, lo que define el éxito o fracaso de la misma. La creación de esta imagen corporativa debe ser un de los primeros pasos que debe seguir un empresario al organizar o emprender un negocio de comercialización de productos o servicios, siendo una forma de manifestar firmemente la marca. Asimismo, la imagen corporativa se constituye como la oportunidad que tiene toda empresa de diferenciarse frente a su competencia y transmitir a los consumidores valores fundamentales como la confianza que se forja en la relación empresa-cliente. Los consumidores relacionan grandes cadenas sumamente posicionadas con el profesionalismo, seriedad y tranquilidad. Por esta razón para las PYMES es un reto lograr posicionarse dentro de un mercado tan competitivo. Poco a poco estas empresas construyen una identidad corporativa sólida y coherente, lo cual logra conseguir que se posicionen un poco más en la mente del consumidor. De la imagen corporativa depende el tipo de clientes que se logra captar y por supuesto la primera impresión que dará la empresa, algo esencial si quieren diferenciarse y destacar sobre la competencia.

Keywords

Business communication, entrepreneurship, business, corporate identity, brand, SMEs.

Comunicación organizacional, emprendimiento, empresas, imagen corporativa, marca, PYMES.
Introduction

The following paper performs a diagnosis of SMEs in the city of Guayaquil, since this area has been significantly affected, both positively and negatively, by external factors such as the great volume of products entering the country and recent Ecuadorian governmental measures intended to regulate the general market. Furthermore, there are internal factors that have not been mitigated by SMEs, and thus certain consequences, such as reduced competition, high production costs, obsolete designs, among others have taken place.

This area has been selected because of its importance to the Ecuadorian economy, particularly because of its significant effects on the GDP and the generation of jobs for both men and women. Additionally, it’s worth noting that the conditions needed to strengthen this area currently exist in the country.

Methods and materials

Up until today, the productive function of organizations is regarded as one of the most important functions. However, changes on the institutional and business outlooks subject the survival and development of this area to what is commonly regarded as image and communication strategies.

While most enterprises are primarily concerned about production in order to meet the requirements of their demand, business communication is often regarded as a secondary accessory. In the current economy, beyond the tangible aspect of both products and services, intangible assets represent a cardinal value for organizations. In a scenario where supply grows ever more similar, differentiation is often obtained through certain factors that transcend the physical properties of the merchandise.

Traditionally, communication has been linked to the marketing efforts of an enterprise, and was limited to the products themselves in order to improve the commercialization of said products. Initially, it was built upon intrinsic characteristics, and later accounted for the brand’s attributes, since a positive brand image offered a competitive advantage.

Up until the end of the twentieth century, business communication limited itself to advertising and other promotional techniques. Additionally, enterprises often contacted mass communication venues, seeking to improve their media presence. However, as more competitors rise, the situation changes substantially, and new challenges need to be dealt with in order to garner the attention of stakeholders.
The communicational efforts needed to distinguish one enterprise from its competitors should be equivalent to its business efforts. Consequently, image and communication strategies must be up to par with corporate decisions or, in other words, up to par with those who make strategic decisions within the enterprise.

Within this context, however, small enterprises struggle with common limitations such as lack of resources and, above all, the backlash generated by implementing these sort of narrow-reaching measures.

**Business communication: Integration and proactivity**

Organizations cannot exist in a vacuum. They need to reach their target audiences and generate a dialogue with the members of their community, both individuals and legal entities, in order to create and sustain a favorable environment defined by sympathy and understanding in regards to their demands and aspirations. As stated by Kreps (1990, p. 21): “There organizations or individuals with which the representatives of the organization has direct contact are known as relevant organization environment. External communication allows the organization’s members to coordinate their activities en their relevant environment.”

Business communication could be described as the what in which an enterprise relates to its internal key audiences (primarily, its workers), and its external key audiences (primarily, its suppliers) through the products the enterprise manufactures, the services it provides, or the information it releases regarding what it is and what it wants to be (its business identity).

In other words, business communication is a sum of decisions materialized into concrete actions (advertising, flyers, media relationships, etc.) intended to allow the organization to reach its objectives. These objectives could be understood in terms of increasing notoriety, brand recognition (both in the short and the long term), or changing the behavior towards the products or the enterprise (by both internal and external audiences).

Communication is an important resource for any organization. However, in reality, it is often neglected or misunderstood.

Managing this resource should primarily aim to deal with the relationships between the organization and its most immediate environment. Success requires, to start with, a shift in mentality and organizational culture that fosters communication. To achieve this goal, business communication must build itself upon two primary axes: integrity and proactivity.
1. Communication must be integral. This means that the commercial communication relating to the product and that of the company (corporate communication and internal communication) must be managed in an interrelated and balanced way.

Consequently, business communication is explained in a coherent way through the communication of the product and the communication of the company. In turn, the communication of the company is best understood when it is divided into two distinct ways: corporate communication (external or outside the company) and internal communication (from inside the company). The final result could be expressed by the following mathematical formula:

\[
\text{BUSINESS COMMUNICATION (integral)} = \text{PRODUCT COMMUNICATION} + \text{CORPORATE COMMUNICATION} + \text{INTERNAL COMMUNICATION}
\]

2. Communication must be proactive and not just reactive. This is a priori and not a posteriori, as often happens with small organizations, where the communication is mainly reactive (responds to immediate needs). The ideal approach is to manage the communication of the company at the time of constituting it, and harmonize all the actions that will be carried out without waiting to have the need, but before it is generated.

As expressed in the formula, business communication is nourished by the communication of the product, both internal and corporate.

Most authors propose the idea of commercial communication, especially in terms of product, to refer to advertising, but they differ in the idea of communication regarding the company itself. For some, the communication within an organization has the generic name of corporate communication. For others, corporate communication is the communication directed at external audiences (Villafañe, 2000), and internal communication is the one that addresses internal audiences.

Due to its long history, advertising communication has been the most studied so far. However, due to the possibilities it offers, corporate communication becomes especially important in differentiating the many similar brands competing in the current market.

The other factor within the formula regards internal communication. This is established through communication processes that allow the organization to maintain coordination between its different parts (Katz and Kahn, 1986). Coordinated action and teamwork will contribute to
achieving the organization’s strategic objectives. In this context, internal communication allows the introduction, diffusion, acceptance and internalization of the new values and management guidelines that go along with organizational development (Puyal, 2001).

The proper management of internal communication must achieve a basic objective: to cover the communicational needs presented by the individuals or groups that make up the organization. In this sense, communication is as important for employees as it is for management.

Although the importance of internal communication has been emphasized from several points of angles, such as economics, human resources, and management; it is necessary to point out that it is not sufficiently accounted for by organizations. As some authors point out (Villafañe, 1999, p.301; García Jiménez, 1998, p.27), internal communication is one of the most neglected elements in organizational communication, but also one that has recently aroused a sizable amount of interest. On the other hand, the internal communication revolution remains the same as it was years ago (Pozo 2000: 28), and its true importance is more theoretical than real.

It should be noted that internal communication is not only useful in large organizations, but also in small ones, where serious problems can arise due to the lack of communication or its inadequate use within a paradoxically simple structure.

The value of the intangible: image as an integrating element within organizations

We are immersed in “the civilization of the image,” images whose perception and study is as changing and random as the ups and downs of the current communicative panorama that our civilization generates. In this environment, the company image and the brand are, increasingly, strategic resources that must be controlled. For this purpose, business communication is an essential management tool.

A new approach has arisen around this idea: the corporate. This philosophy establishes the need to manage the image of the company as an intangible resource, and considers communication as a very useful tool for it. In fact, corporate communication emphasizes the elements that, from the company outwards, predispose the company to have a better image, and internal communication is generated in the heart of the organization to manage, above all, corporate culture and workers´ knowledge, which are the basis of the organization (Villafañe, 2004). It has been noted that im-
age is an intangible resource. Building upon this premise, the vision and importance of intangible assets when small and medium-sized companies are born, relates to the fact that their purpose is to evolve and grow, engaging in commercial activities that allow them to generate income and profits. For this to happen, the first thing that they require is a minimum infrastructure that allows them to produce a product or provide a service and, secondarily, a strategy to communicate their activities in order to get customers.

This approach is carried out, in most cases, when the product and the company are created, and only at the beginning of the activity. Because of this, the communication decisions that are made are always limited. With this in mind, it is safe to say that a small company can start thinking about advertising, hand out some brochures, create a commercial network that promotes “mouth-to-ear,” etc. However, in most cases there is no integration between these actions. Moreover, as it was previously mentioned, they are not usually projected a priori, but are rather generated by a peremptory necessity.

On the other hand, the communicative actions designed by many organizations, especially the smaller ones, are limited to communicating in regard to their products. For this purpose, in most circumstances and according to the type of business, at least some form of identity is required to reach the public, this is often a “brand” that, in many cases, constitutes a “logo” created by the director or manager of a company or by some employee, but rarely by a professional.

**Communication is not only for large corporations, communication and image should be cardinal to SMEs as well**

Communication is typified as an integral management tool in the following terms: “what is required of corporate communication is that it manages the capital-image of the company and that it makes it bloom both internally and externally” (Mattelard, 2000).

When small and medium-sized companies are born, they do so in order to evolve and grow, engaging in commercial activities that allow them to generate income and profits. For this to happen, the first thing that they require is a minimum infrastructure that allows them to produce a product or provide a service and, secondarily, a strategy to communicate their activities in order to get customers. This approach is carried out, in most cases, when the product and the company are created, and only at the be-
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This situation very succinctly reflects the panorama that SMEs located in regions with an incipient level of development have to deal with. For them, business communication is still little-know idea beyond the literal meaning of each of its words.

The type of research that was carried out is descriptive-explanatory and analytical-synthetic in nature, since the purpose of this type of study is to establish the characteristics of an object/subject or process, and the causes that originated said process; additionally, it seeks to find answers to specific problems through the participation of the people who endure these situations and by using the knowledge they have about their own reality.

The initial stage of this research process is exploratory since, in exploratory research, information is collected from primary and secondary sources in order to provide information about the problem and identify possible courses of action. Subsequently, a descriptive stage will be implemented, in which essential data such as facts, events, and situations that occurred will be collected in order to accurately measure events.

The analytical: This method will compile the most relevant conceptions of the companies within the sample, this will allow for the identification and assessment of their problems. Additionally, this method will be used for external and internal analysis.

The synthetical: This method will allow for the assessment and interpretation of the factors in order to obtain a result that will contribute to the development of a proposal.
Analysis and results

Small and medium-sized companies and the purpose of communication

There is a myth regarding the fact that communications, advertising and image campaigns, corporate social responsibility, and other components of communication pertain only to large corporations. This is not the case, as it is necessary to assess how these tools are being used and where the institutional image is placed within the table of priorities of the SMEs.

In a competitive, complex market, with crises such as those we have observed and lived through over the last decade, everyone has a strategy, be it implicit or explicit, good or bad, short or long-term, with or without market segmentation, etc. Consequently, in this context, organizations have to compete against each other in terms of these strategies. The competitive advantage for small and medium-sized enterprises and the purpose of communication derives from having a plan and methodology superior to that of the competition, and harnessing a highly qualified team.

To state the obvious: anyone who does not reach out to the outside environment tends to disappear. Currently, many SMEs have been able to find an alternative within these new scenarios: to reinvent themselves according to the context and to offer according to the new demand. They were able to do so because they took the necessary steps and exercised their capacity for action.

Companies that identified opportunities and modernized their production line and their managerial cadres entered the new scenario with strength and notoriety. Being able to sustain their efforts, to grow and to take hold, is a long-term process that deserves certain considerations. Still, these companies also serve as models to be emulated by other SMEs. When reviewing the bibliography of diagnosis and management of SMEs, we find that before the 1990s, these companies were synonymous with backwardness, way too economically irrelevant to notably affect the GDP and, of course, with a production system that failed to set an standard of quality.

Today, after the decade of convertibility, SMEs are beginning to rise as potential promoters of industrial production and services. Big companies have fallen into crisis because everything that expresses uniformity, rhythms established in an authoritarian manner, rigid hierarchies, and strongly normative frameworks has fallen into crisis as well. When the challenge is to deal with the need for flexibility, decentralization, debureaucratization, horizontal leadership, shared spaces, agility, and rapid adapta-
tions; the customizing of management and consumption, craftsmanship, and custom-made products that are not mass-produced are desired. In this context, SMEs emerge with a clear, natural identity that resonates with all these concepts. As opposed to big companies that promote, from their gigantism, an exogenous reconversion of small and medium enterprises.

The challenge of small and medium-sized enterprises lies in the recovery of an identity and the revaluation of their organizational culture as the basis of innovation. These companies have cultural comparative advantages: confidence in their success, unshakeable formal friendliness when faced with economic swings, artisanal methods of management, etc.

**Contribution of integrated communication to SMEs**

SMEs have many problems managing the scarce communication resources they have at their disposal, either because they spend on campaigns that are not suitable for them, or because they are not always directed at the appropriate public, thus wasting time and money. They often do not invest in communication campaigns at all. Well-managed integrated marketing communications can be done at an affordable cost for any small business, and the performance is often ideal as long as they are managed by professionals who can design an effective plan with the right tools in order to meet the expected objectives.

For example, the concept of identity that is linked to the mission and vision of the company, the relationship with the customer, the product packaging, and the relationship with employees are all actions and functions that marketing tools, advertising, and organizational communication can enhance, generating more effective and efficient results.

It is relatively true that these tools were often considered exclusively valid for large companies, the reasons? There are many. However, the high cost and lack of professionalism within SMEs is particularly important. The management adaptation of these companies to the new scenarios can constitute a process that enriches the general development of society, anchored in the revaluation of culture, diversity, and a new network of socio-communitarian relations intended to improve the quality of life.

The comparative advantages with which they count, such as an effective company - product - customer relationship, high customer loyalty, flexibility towards public demand, among others, make SMEs an important link between organizations and the community. Because of this, many
management theorists believe that large companies should be built upon small-cell companies.

If small and medium-sized companies could create added value for their organizations and their products, such as brand value, packaging with an aesthetically viable design, and/or strengthen their links with internal and external customers through CRM, etc; they could establish a management value akin to that of a large company, adding the capacity for flexibility and better relationships with the community.

It is well known that it is not easy to manage communication in these companies. For starters, the purchase of management models that use the success they achieved in powerful organizational contexts as a hook does not guarantee success. On the other hand, the high costs involved, the lack of investment, the reluctance to initiate state-funded reengineering plans, the economic uncertainty of their current context, and the organizational/cultural particularities in which they exist, make the incorporation of integrated communications not entirely viable.

It is not a question of finding speculative differentiation, but the articulations that prevent the overlapping of roles, tasks, and functions, and transform knowledge into concrete and functional actions that would allow for the continuous improvement of business within SMEs.

The contribution of social actions in SMEs

The decade of the 1990s was characterized by the contributions in terms of corporate social responsibility that both large corporations and SMEs made.

Based on this, we could ask ourselves, is there a corporate citizenship? Is there a possibility that companies will one day stop being mere economic actors that only seek to improve their profile and start behaving as real citizens? Corporate enterprises here and around the world have been working towards that goal for a long time, developing environmental care plans, contributing to philanthropic actions within their communities, etc.

And, why not, incorporating this new way of thinking into the actions of SMEs. During the first decade of the 2000s, in the midst of the Argentinean crisis, the designer Martin Churba generated a project that financed artisanal textile initiatives throughout the country, a project started the manufacturing of uniforms and fabrics that were later commercialized internationally. This means that, even in terms of sales, companies
can pursue their own benefit while also contributing to the better treatment of their employees, generating cooperative initiatives and projects, and becoming valuable social actors.

In developed countries, the state is in charge of these issues, while companies have a way more nominal role. In emerging countries, however, the opposite is true. SMEs that manage to address these issues through their everyday work while still meeting their objectives will improve their institutional image.

Discussion and conclusions

The importance of SMEs in different contexts and their respective characterization

The economies of the world have turned their attention to the development and protection of small and medium-sized enterprises (SMEs), as they have been identified as a sector that, in recent years, has increasingly contributed to the country’s GDP, regardless of the state of development they countries are in.

Some time ago, it was thought that the ideal line of thought was to create larger, more complex and more hierarchical business structures. However, this model has undergone a substantial change when analyzing the success of Japanese, Italian and other business groups around the globe. The structure is completely different.

It is necessary to change the paradigm, to change the veneration of that which is big and to understand and accept what recent research has shown, both in Latin America and in developed countries:

• Small and young businesses generate more jobs than large and old businesses.
• Small businesses innovate and produce more technological advancements than larger ones.
• Small businesses, in general, are more resistant to changes in their environment.
• Small businesses have proven to be exceptionally important laboratories for professionals and, in some cases, the intellectual challenges posed by small businesses is greater than that required by a large company.
• While small businesses tend to innovate, large ones tend to acquire.
That which is risky and uninteresting for big businesses is, in many cases, safe and highly interesting for small business.

A lot is said about SMEs, usually to point out their weaknesses or to accuse them of some sin that allows them to compete with the big companies, such as informality or evasion.

The truth is that small and medium enterprises have demonstrated, both in bonanza and in crisis, that the role they play in the economy of any country goes beyond the anecdote regarding the inception of large companies. In fact, developed and emerging nations share a high amount of SMEs in their economic structure. In the United States, according to recent research from Babson College, one in three households is developing some sort of commercial initiative.

Although they are humble in volume and have a restricted projective success, the impact of SMEs, by accumulation, is substantial in the generation of employment, in the development of new products and services, and in the growth of the economy in general.

The traditional notion of small and medium-sized enterprises is linked to the amount of employees or to the size of their assets. In order to accurately define the concept of small and medium-sized enterprises, it is necessary to account for the environment that surrounds them, that is, to establish the stage of economic development within the country, the sector, or economic activity that is being considered. It is also necessary to specify the degree of both technological and organizational development. While assessing the aspects mentioned above, qualitative and/or quantitative tools are used, depending on the case. Of course, this definition may vary depending on the different aspects previously discussed.

**SMEs and their characteristics**

Among the main characteristics presented by SMEs in Ecuador, based on previous studies and according to data from the different chambers of commerce, it is possible to state the following:

The number of enterprises and their participation in job generation goes as follows:
In regard to geographical location, SMEs are mainly concentrated in the cities that present a greater degree of development. Quito and Guayaquil house the 57% of establishments. Azuay, Manabí and Tungurahua, 22%; and the remaining 21% is located throughout the other 17 provinces.

On the other hand, according to the document presented at the “Seminar – Workshop: Export promotion mechanisms for small and medium-sized enterprises in LAIA countries,” entitled “Status and Performance of SMEs in Ecuador within the International Market” and held in Uruguay in 2001, other characteristics of the Ecuadorian SMEs are presented:

The main facts and evolution of the Ecuadorian industry, in which small industries are immersed, were:

- Between 1965 and 1981, the production was multiplied by 3.5, with a rate of 8.7% per year.
- In 1975, industry represented the 16% of the GDP.
- In 1981, it rose to 19%.

Evolution of the industrial sector:
- 1982-1990 period: grows at an annual average of 0.13%. The participation in the GDP is 15.5%.
- 1990-1998 period: grows at an annual average of 2.9%. The participation in the GDP remains unchanged.
Analysis of the communication and image strategies in SMEs within the city of Guayaquil

Given the growing importance of communication and intangible resources for companies in general and SMEs in particular, it is necessary to carry out empirical studies to assess the degree of knowledge and familiarity with which businessmen at SMEs use the various communicational resources they have at their disposal. This would be a first step to detect possible gaps and errors, and look for appropriate solutions in each case.

The study of communication within large organizations presents a higher degree of development because of two fundamental reasons: economic interests and the existence of financial resources to fund this type of analysis. Additionally, communication activities, in general, are better structured.

In the case of SMEs, the level of research in the area of communication is still at a very embryonic stage. Consequently, further development in regards to communications and image is still pending within SMEs.

<table>
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<td>67 565</td>
<td>57.63%</td>
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<tr>
<td>Services</td>
<td>40 323</td>
<td>34.39%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9 350</td>
<td>7.98%</td>
</tr>
<tr>
<td>Total number of enterprises</td>
<td>117 238</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: National Economic Census, 2010 - Ecuador en Cifras. INEC.

In order to evaluate the implementation of a design in the strategies of SMEs in Guayaquil, the First Project of Impulse to Design was carried out in 2010. Its purpose was to analyze the potential of Guayaquilean companies to demand graphic design services directly related to their image.

For its development, a sample of 30 Guayaquilean companies was used. They were interviewed in depth to determine the profile of SMEs that could include design and corporate image into their business strategy.

Most of the SMEs that participated in the study scored a low level of knowledge and practice in terms of business communication, even when accounting for the categories provided by the entrepreneurs themselves, that is, by developing an endogenous index. The average level remained at medium-low.
There seems to be no correlation between the age or size of the companies and the degree of development in terms of business communication. Within the studied group of companies, those providing the most advanced services scored a higher overall knowledge-practice degree in regards to business communication. However, there are exceptional cases of highly developed business communication, both in industry and in companies that provided less advanced services. As far as construction companies go, they are all below average.

Perhaps one of the most worrying factors that were detected was the lack of motivation to increase the turnover presented by certain companies. A striking fact in this regard is that, although ten of the twenty-six companies that were analyzed have a website, none of them perform e-commerce activities, but instead use their websites as an introductory letter for their audiences without caring for their web presence within the oversaturated digital landscape.

On the other hand, it is worth noting that the notion of product communication often absorbs to the notion of company communication. Many of the participants did not accept that the company, regardless of the products or services it offered, should adopt some sort of specialized communicative measures. This is the result of a somewhat limited vision that only understands the usefulness of communication in terms of a tool to boost sales.

It has been verified that relevant language within contemporary business management is absent from the vocabulary used in the answers obtained during the study. Thus, concepts such as corporate image, identity, reputation or corporate social responsibility were not explicitly verbalized during the discussions.

The aspects that raise the most concern are, too, the most visible and obvious ones, such as logos, symbols, and other elements related to the external visual dimension of the organization. However, it should be noted that all the strategies linked to the management of intangible assets translate into instruments of great potential for both medium and long term business efforts.

Nonetheless, there is at least some degree awareness regarding certain aspects of business communication, such as the need to homogenize and improve the image of the organization, the growing interest in adopting new technologies, and even a preliminary concern for the more visual as-
pects of the organization’s identity, which could be understood as a form of embryonic interest for corporate image.

References


