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Entrepreneurial Marketing: A Historical Exploration and Implications for Practice

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ENTREPRENEURIAL MARKETING: A HISTORICAL EXPLORATION
AND IMPLICATIONS FOR PRACTICE

by

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ENTREPRENEURIAL MARKETING: A HISTORICAL EXPLORATION AND IMPLICATIONS FOR PRACTICE

Sofia Ramos

Southeastern University, 2016

In an increasingly turbulent market, marketers are having difficulty predicting consumer demands, and academics are finding that traditional marketing theory is no longer highly effective in making educated marketing decisions. With the growth of Entrepreneurial Marketing (EM) research over the past several decades, researchers have found these practices to be effective not only for SME's but also for larger firms. Because of this, researchers are offering Entrepreneurial Marketing theory as a solution for all firms seeking a competitive advantage in a volatile market. Entrepreneurial Marketing, which is the innovative, opportunity seeking approach most entrepreneurs and small and medium enterprises (SMEs) utilize when marketing their businesses, is characterized by innovative value creation, and external focus and a willingness to take risks.

The majority of the research conducted has used primarily qualitative methods to uncover typical entrepreneurial practices. This study found that while sufficient research has been conducted on the history and defining characteristics of EM, the literature lacks practical implementation strategies for firms wishing to apply these practices. This paper presents a review of the current literature on EM, highlights the history and defining characteristics, and then offers a model that firms, both small and large, can utilize to implement EM. The model offered in this research applies the defining characteristics of EM—opportunity creation, innovation, personal networking, and resource leveraging—to each element of the Four P Model. This model requires an innovative management strategy and a keen external focus on the market. Based on the existing literature, this paper concludes that applying these principles to either SMEs or to larger firms should significantly proliferate the success of a firm, increase competition among firms, and better meet the needs of the market through nichemanship.

Key words: Entrepreneurial Marketing, Entrepreneurship, Marketing, Small Business Marketing, Innovation, Value Creation, Resource Leveraging, Personal Networking

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INTRODUCTION

The beauty of America is the fact that anyone, no matter his or her current situation, can give birth to a dream and turn it into reality. The United States is known as the land of opportunity; one form of opportunity is the ability to dream up and create new ventures. This opportunity is the foundation for what inspires new entrepreneurs every day. The very words that our country was founded upon declare that Americans have the “right to life, liberty, and the pursuit of happiness.” This pursuit of happiness is what often drives many individuals across our nation and the globe to step out and create their future.

However, entrepreneurship is not always driven by the pursuit of happiness, but rather out of desperation. For example, the 2008 financial crisis caused many Americans who were desperate for work to take the risk and start their own business ventures. These small business owners became known as “necessity entrepreneurs” (Habiby & Coyle, 2010). Even though they couldn’t find jobs, they used the negative situation as an opportunity to create their own income. Surprisingly, the economic recovery witnessed in the following years did not cause this growth in entrepreneurship to subside. On the contrary, Americans had been inspired by the explosion of entrepreneurship during the recession and saw new opportunity.

Since the recession, new entrepreneurs, often referred to as “opportunity entrepreneurs,” have exploded across the United States (Habiby & Coyle, 2010). According to Inc., entrepreneurship is at an all-time high since 1999, with over fourteen percent of adults involved in personal business ventures (Buchanan, 2015). These

entrepreneurs are driven by opportunity: the opportunity to develop new market segments and create new products, the opportunity to take risks, and the opportunity to find personal happiness (Habiby & Coyle, 2010). Still, others use entrepreneurship as an opportunity to make a positive impact on their community or abroad through social entrepreneurship, or positively affect economic growth and increase employment (Rauch & Hulsink, 2015). Through each of these forms of entrepreneurship, there is an underlying theme: a search for opportunity.

With this increase in entrepreneurship, academics have begun to take note of differences in the way successful entrepreneurs market their business in comparison to larger firms who utilize traditional marketing practices, also referred to as Corporate Traditional Marketing (CTM) (Morrish et al., 2010). Significant advancements have been made in this research over the last decade and the literature has grown substantially through a number of case studies, interviews, and other qualitative research methods (Morris, Schindehutte & Laforge, 2002; Pitt, Berthon & Morris, 1997). Scholars have found that entrepreneurial firms often possess certain characteristics that differentiate them from traditional firms (Morrish et al., 2010; Collinson & Shaw, 2001; Morris et al., 2002). For example, research has shown that entrepreneurs tend to be far more innovative, less risk-averse, and more opportunity-driven than larger firms who implement traditional marketing methods (Stokes, 2000; Morris & Lewis, 1995). Successful entrepreneurial firms also better utilize personal networking and excel in their ability to communicate (Martin, 2009).

As research has expanded, scholars have termed this field of study “Entrepreneurial Marketing” (Hills & Hultman, 2011). While the literature has faced

continuous evolution over the past several years, most scholars agree that Entrepreneurial Marketing (EM) exemplifies the interface of marketing and entrepreneurship, focusing on innovation and change as primary functions; it has also been offered that the principles of EM can be applied in the context of both small and large firms (Collinson & Shaw, 2001).

Statement of the Problem

In the meantime, the environment in which firms now operate in has become exceedingly turbulent and fluctuates on a daily basis (Collinson & Shaw, 2001; Morris et al., 2002). Morris et al. (2002) describes this market as:

An environment consisting of increased risk, decreased ability to forecast, fluid firm and industry boundaries, a managerial mindset that must unlearn traditional management principles, and new structural forms that will not only allow for change, but help create it. (2002, p. 1)

Business owners and marketers must understand these constant economic changes and be able to adapt to them and even predict future market demands in order to succeed (Morris et al., 2002). However, this is nearly impossible when following traditional marketing theories exclusively. Contrary to traditional marketing practice, this type of environment has forced businesses to become more innovative in their marketing and management, and better at predicting changes in the market (Collinson & Shaw, 2001). This presents a difficult task for small business owners and large corporations alike to find a competitive advantage in the volatile market they face today.

With this exponential growth in entrepreneurship partnered with a market characterized by change, complexity and chaos, Entrepreneurial Marketing offers a solution to the demand of the environment (Morris et al., 2002). However, despite its proven results, there are few marketers who have been exposed to this research and even

fewer educators taking advantage of it (Collinson & Shaw, 2001). The majority of today's universities teach traditional marketing principles exclusively, leaving graduates unprepared for the unpredictable market they face in their future careers (Collinson & Shaw, 2001). There exists a gap between what is taught in the classroom and what students will actually need to implement as entrepreneurs and marketers in their careers because of the environment today's businesses operate in (Collinson & Shaw, 2001). Recent studies have shown that the traditional marketing practices taught in secondary education and utilized by most large businesses—which are filled with wide generalizations and assume a stable environment—are no longer sufficient to stay ahead in today's economy (Morris et al., 2002). Conversely, firms who utilize the principles of EM are likely to greatly out-perform those who cling to traditional marketing theory. Therefore, a proper EM education is essential for firms wishing to achieve a sustainable competitive advantage.

This thesis argues that while the fundamental principles of marketing have not changed, marketers can no longer rely on traditional generalization of CTM, and must give more attention to other areas of marketing (Morris et al., 2002). This change in focus can include a shift to market-based and consumer-based decision-making, an aggressive search and exploitation of opportunities, networking, and technology (Morris et al., 2002). The intention of this research is not to further explain how entrepreneurs can market their businesses, but to demonstrate how all business can become more entrepreneurial in their marketing practices.

What was once considered simply an analysis of small business marketing has opened up a new world of research that offers a solution for businesses of all sizes in

today's environment. While significant research has been conducted on various aspects of EM, there is still a need for consistency among the research. Weaknesses in the existing literature include the lack of a standard definition of EM, as well as practical implications of how to apply EM to any business. This thesis will strive to bridge these gaps in the literature by linking together previous research to make new propositions that businesses can apply today. The primary goal of this thesis is two-fold: to summarize the current EM literature in order demonstrate it's significance for marketers in today's environment, and to offer a model that any firm wishing to act more entrepreneurially can implement utilizing the traditional marketing mix, and in effect provide a resource for EM education and practice. The model will offer practical solutions that emphasize innovation, a constant search for opportunity, and an external focus on the environment.

Methodology and Structure of Research

As the goal of this research is not to introduce new findings, but rather to make a case for the necessity of EM education and implementation by linking existing ideas, and proposing a model for implementing EM, this thesis is primarily in the form of a literature review. No parties were studied or interviewed during the research process. The primary sources used to search for existing literature on EM were Southeastern University's databases, including Ebscohost, Proquest, and ScienceDirect. The majority of sources used were peer reviewed-scholarly articles. In order to get a thorough understanding of the background of Marketing, Entrepreneurship, Entrepreneurial Marketing, and Entrepreneurial Marketing Education, each of these terms were searched to find the most relevant literature. Key word searches also included "small business marketing" and "traditional marketing theory." Once a review of the most pertinent

seminal research had been completed, searches were also conducted by exploring the most relevant scholars of EM. The relevance of each article was weighed by the influence of the author, how recently the article was published, the influence of the journal based on its impact factor, number of citations, and its relation to the topic of research.

First a general exploration of the history and current state of Entrepreneurial Marketing was conducted, followed by more specific searches related to the individual defining characteristics of EM, the interface of entrepreneurship and marketing, and the differences between EM and CTM. Finally, explorations were made to find specific examples of EM in businesses along with the integration of EM into higher education. The most important aspects of the research were synthesized into a review of literature presented in the following format:

Chapter one introduces the term Entrepreneurial Marketing, along with a discussion on its' evolution over the past couple of decades. A review of literature covers the works of seminal researchers that explore the origin and meaning of EM, interface of the Marketing and Entrepreneurship, and the various definitions of Entrepreneurial Marketing. The purpose of this chapter will be to give the audience a thorough understanding of entrepreneurial marketing, the seminal researchers, and the evolution of its meaning & growth. This will be presented by showing the interface of marketing & entrepreneurship, and the variance between its existing definitions. A provisional definition of EM will be presented in an effort to close this existing gap in literature. The following questions will be answered in this chapter:

- *What is the origin of Entrepreneurial Marketing and how has it evolved?*
- *How do the fields of Marketing and Entrepreneurship relate?*

- *How can Entrepreneurial Marketing best be defined?*

Chapter two will overview the most prominent characteristics of EM gathered from the existing literature, within in-depth descriptions of each. The following questions will be answered in this chapter:

- *What defining characteristics differentiate Entrepreneurial Marketing from Corporate Traditional Marketing?*
- *Are all small businesses considered EM firms?*
- *Can large businesses be considered EM firms?*

Chapter three will connect the literature together in order to offer solutions to the primary research questions asked. This chapter will highlight the environments in which implementing EM is most appropriate, how to apply it to each of the four components of the traditional Marketing Mix (product, price, promotion, and place), the needed characteristics of EM management, and the challenges and barriers to implementing EM in a firm, and highlight research on International Entrepreneurship. Models will also be given to visually represent this information. Finally, this chapter will assert the need for incorporating EM in higher education. This analysis will highlight the existence and growth of EM as an academic discipline, the growing demand among college students for EM programs, and the effect of EM education on the student's future actions as an entrepreneur. Key questions answered in this chapter include:

- *What are the most appropriate environments to implement EM?*
- *How can EM be applied to the traditional marketing mix?*
- *What are the necessary characteristics of EM Management?*
- *What are challenges faced by firms looking to implement EM?*

- *Why is EM education necessary?*
- *Does EM education impact an individual's likeliness of becoming an entrepreneur in the future?*
- *What research has been conducted concerning International Entrepreneurship?*

The conclusion will review the current research and proposed model, as well as cover areas of future research within the field.

CHAPTER 1: SEMINAL RESEARCH

Over the past few decades, Entrepreneurial Marketing (EM) has emerged as an increasingly popular discipline within the academic world and among business owners. While most academics would agree that EM is derived from the interface of marketing and entrepreneurship, there are still many questions on the definition of entrepreneurial marketing, and how it can be applied to a firm's marketing strategy (Merrilees & Frazer, 2006). This chapter covers the history and evolution of Entrepreneurial Marketing as a field of study, the interface of marketing and entrepreneurship, and the current definitions of Entrepreneurial Marketing.

The History of Entrepreneurial Marketing

With the growth of entrepreneurial firms, marketing researchers noticed differences in the way that entrepreneurs market their businesses in comparison to large firms (Morrish, Miles, & Deacon, 2010). This caused scholars to ask another question, one that has inspired new discussion and research: "What does it mean for *marketing* to be entrepreneurial?" (Morrish et al., 2010). Thus the term Entrepreneurial Marketing was born. However, scholars still have varying opinions on its definition. Existing definitions of EM include: (1) the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation," (2) a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing ventures that create perceived customer value through relationship by employing innovativeness, creativity, selling, market immersion, networking and flexibility, " and (3) simply the

interface of entrepreneurship and marketing (Morrish et al., 2010). One of the most significant flaws in the existing literature of EM is this lack of a standard definition (Hills & Hultman, 2011). However, this absence of consistency has not stopped academics from making significant advances in the research.

This development of EM can be traced to the empirical research of several seminal academics. Up until about 35 years ago, marketing research was limited to that of large corporate organizations (Hills & Hultman, 2011, Hills et al., 2008). Seminal researchers such as Murray, Tyebjee, Hills, and Hultman were the first to look beyond the current literature to research smaller, entrepreneurial firms, often referred to as Small and Medium Enterprises (SMEs). In 1984, due to the initiative of Gerald Hills, the American Marketing Association (AMA) developed a Task Force on Marketing and Entrepreneurship, in order to establish Entrepreneurial Marketing as a field of academic study (Hills et al. 2008). The first studies concentrated on the similarities between Marketing and Entrepreneurship. Entrepreneurial Marketing is now one of the fastest growing areas of study in the academic world. In order to better understand EM, a review of the field of Marketing and of Entrepreneurship is required. The following pages explore these two areas and their interface.

The Interface of Marketing and Entrepreneurship

Marketing

According to the American Marketing Association (AMA) marketing is defined as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (2013). In other words, marketing encompasses developing a product or service

the meets market demand, setting a price that is both competitive and profitable, building awareness about the product or service through branding, advertising, and social movements, and making the product or service available where the demand exists. These components (product, price, promotion, and distribution) are often referred to as the Marketing Mix, because they are the basis for all marketing activities a firm engages in (Martin, 2009).

Conventionally, marketing operates in a “consistent environment, where market conditions are continuous and the firm is satisfying clearly perceived customer needs” (Collinson & Shaw, 2001). Traditional marketing theory, also referred to as Corporate Traditional Marketing (CTM), assumes these conditions and is applied most effectively when these conditions are met. CTM theory suggests “determination of researched, established need amongst customers first, then addressing that need” (Martin, 2009). In other words, traditional marketing is typically reactive to its environment, rather than proactive.

The Marketing Mix, or the Four P Model, reflects a company’s business strategy (Levy, 2011). Each marketing decision is based on the firm’s target market, and the elements of the marketing mix (product, price, promotion, and place of distribution) are typically organized into “proven patterns, marked by logical step-by-step processes. The plans behind the patterns are both highly structured and disciplined” (Carson, 1993; Martin, 2009). While this method of marketing is organized and methodical, it is becoming less and less relevant as the market businesses operate in becomes increasingly unpredictable. Morris et al. (2002) point out the ironic nature of the trade: “marketing is

context dependent, but the context is continually changing” (p.1). Because of this, today’s businesses face a challenge when making marketing decisions.

Critics of traditional marketing would claim that the field suffers from:

[...] An over-reliance on established rules of thumb, encouragement of formula-based thinking, lack of accountability for marketing expenditures, an emphasis on the promotion elements of the marketing mix, focus on superficial and transitory whims of customers, the tendencies to imitate instead of innovate and serve existing markets instead of creating new ones, a concentration on short-term, low-risk payoffs, and marketing as a functional silo with static and reactive approaches. (Morris et al., 2002, p.2)

In fact, corporate marketing is losing its perceived value in some organizations. In a recent study, the majority of CEO’s interviewed in Europe were unimpressed with their marketers analytical skills and business acumen (Webster, Malter, & Ganesan, 2005).

The problem? Today’s academic research is” far removed from and contributes little to marketing practice” (Morris et. all, 2002, p. 3). There would seem to be a gap between traditional marketing research and practice and what skills marketers and managers need to be effective in their profession. Despite these claims, however, the foundation of marketing remains the same: to create, communicate, deliver, and exchange offerings that have value (AMA, 2013). In fact, with the goal of creating value for customers, it would seem marketing has simply lost sight of its innate need for innovation and opportunity creation.

Entrepreneurship

Entrepreneurship has been defined as "the process of creating value by bringing together a unique package of resources to exploit an opportunity" (Pitt et al., 1997). If this is true, then an entrepreneur could be described as one who creates value by

combining resources to exploit an opportunity. In 1995, Kuratko defined an entrepreneur as:

An innovator or developer who recognizes and seizes opportunities, converts those opportunities into workable/marketable ideas, adds value through time, effort, money or skills, assumes the risks of the competitive marketplace to implement these ideas and realizes the rewards from these efforts. (As cited in Collinson & Shaw, 2001, p. 1)

Unlike traditional marketing, pure entrepreneurship “operates in an uncertain environment, where market conditions are discontinuous and the needs of the market are unclear” (Collinson & Shaw, 2001, p. 1). This requires extreme flexibility, intuition, and innovation on the part of the entrepreneur. Stevenson and Gumpert were some of the first to notice this trend in entrepreneurship in 1985, asking a question that would spawn years of academic research: “Suddenly entrepreneurship is in vogue. If only our nation’s businesses – large and small – could become more entrepreneurial, the thinking goes, we would improve our productivity and compete more effectively in the world marketplace. But what does entrepreneurial mean?” (p. 85).

This question sparked interest in the minds of entrepreneurs and scholars alike, so much so that entrepreneurship has grown into an entire academic discipline (Hills et al., 2008). As Morrish et al. describes:

The question of what ‘being’ entrepreneurial means has been answered in a very broad sense and among many other descriptions includes: (1) adopting an entrepreneurial culture, business orientation or intensity that is innovative, risk-accepting and proactive (Covin & Slevin, 1989; Foxall & Minkes, 1996; Miller, 1983; Morris & Paul, 1987; Morris & Sexton, 1996); (2) engaging in opportunity creation or discovery, assessment and exploitation of attractive opportunities (Shane & Venkataraman, 2000); and (3) creative entrepreneur-centric effectuation-driven actions (Sarasvathy, 2001). (2010, p. 303)

Scholars have described being entrepreneurial as having an innovative, and risk-seeking culture, identifying and creating opportunities, and thinking creatively to solve problems (Morrish et al., 2010).

While the entrepreneurial process is most typically associated with small business start-ups, entrepreneurship is relevant to both small and large firms (Collinson & Shaw, 2001). Pitt et al. (1997) note that, perhaps surprisingly, many small businesses are not exceptionally entrepreneurial once they are up and running; whereas many larger organizations possess many entrepreneurial traits.

Interface

Over the past few decades many researchers have observed a natural connection between entrepreneurship and marketing, realizing that entrepreneurs participate in many activities that are central to marketing theory (Collinson & Shaw, 2001). As researchers have studied this crossover between marketing and entrepreneurship, they have also found that small and medium enterprises (SMEs) typically utilize different marketing strategies than large firms, and that entrepreneurs perhaps have a lot to offer traditional marketing theory (Morrish et al., 2010).

The first scholars to connect the fields of marketing and entrepreneurship were Murray and Tyebjee in the 1980s (Hills & Hultman, 2011). Many scholars address the connection that exists between marketing and entrepreneurship and offer that Entrepreneurial Marketing is the interface of the two areas (Morrish et al., 2010). Collinson & Shaw (2001) propose that marketing and entrepreneurship are similar in 3 ways: “they are both change-focused, opportunistic in nature and innovative in their approach to management” (p. 761).

They also suggest that the overlap of marketing and entrepreneurship exists in two areas: “one where market conditions are continuous and entrepreneurship aids the process of identifying unperceived needs and secondly in a discontinuous market where entrepreneurship guides marketing strategy to develop existing needs in a new environment” (Collinson & Shaw, 2001, p. 761). Collinson and Shaw determined that the interface of the two areas can be classified as “identifying opportunities in a changing environment” (2001, p. 761). As was mentioned previously, today’s firms operate in an increasingly unstable and ever-changing environment where opportunity creation is central to survival (Morris et al., 2002).

However, being an entrepreneur does not mean one actively practices Entrepreneurial Marketing (Pitt et al., 1997). Unlike many researchers, Hills, Hultman & Miles (2008) make the distinction between Entrepreneurial Marketing and Small Business Marketing. They propose that being an entrepreneur does not make one’s business an EM firm, but suggest that it is only entrepreneurial if firms are innovative, have high growth, have a superior knowledge of customers and markets, and are high tech (Hills et al., 2008; Hills & Hultman, 2011). They also propose that larger firms can practice EM.

Hill & Wright (2000, p. 43) argue that, “marketing and entrepreneurship can be conjoined more completely, creating a new, entrepreneurial paradigm of marketing” (as cited in Martin, 2009). With the definition of an entrepreneur in mind, this would imply that successful marketing is achieved by firms who regularly identify new opportunities, utilize innovative to bring the product/service to the marketplace and successfully meet and create the needs of their target market in a rapidly changing environment (Morris et al., 2002).

The majority of entrepreneurs are not experts in marketing theory and most SMEs suffer from insufficient knowledge of the marketplace and lack of planning (Stokes, 2000; Martin, 2009). Regardless of this lack of knowledge, the majority of entrepreneurs possess a keen understanding of the importance of marketing, and utilize their personal contact networks to make up for their weaknesses (Martin, 2009). As Martin points out, personal contact networks and interpersonal communication typically used by entrepreneurs in marketing enterprises are primitive compared to traditional marketing practices used by larger, more established firms, but still incredibly useful (2009).

Bäckbrö and Nyström (2006, p. 13) describe entrepreneurial marketing as “the overlapping aspects between entrepreneurship and marketing; therefore it is the behavior shown by any individual and/or organization that attempts to establish and promote market ideas, while developing new ones in order to create value” (As cited in Kraus, Harms & Fink, 2010, p. 5). Morris et al. align with this view, claiming:

The focal point of EM is innovative value creation, on the assumption that value creation is a prerequisite for transactions and relationships. The task of the marketer is to discover untapped sources of customer value and to create unique combination of resources to provide value. (2002, p. 8)

They also describe EM as a system that “synthesizes critical aspects of marketing and entrepreneurship into a comprehensive conceptualization where marketing becomes a process that firms can use to act entrepreneurially” (2002, p. 2). From each of these definitions, it can be concluded that Entrepreneurial Marketing can be summarized as: an external and customer-focused approach to marketing (creating, communicating, delivering, and exchanging offerings that create value for customers) utilizing an

entrepreneurial mindset that is innovative, opportunity seeking, and focused on creating value for customers and relationships. This definition is based on the assumption that any firm, regardless of age or size, can implement EM practices.

CHAPTER 2: CHARACTERISTICS OF ENTREPRENEURIAL MARKETING

Most of the research conducted on entrepreneurial firms has been in the form of in-depth interviews of entrepreneurs or case studies of small firms, where open-ended questions were asked about the firm's marketing practices (Morrish et al., 2010; Hills et al., 2008; Stokes, 2010). The research has shown consistent characteristics among EM firms that differ from traditional firms (Hills et al., 2008; Morrish et al. 2010; Stokes, 2010). Hills et al. (2008) identified several characteristics of EM firms through a series of in-depth interviews. The characteristics included: strategic orientation, commitment to seize opportunities, opportunity creation, strong commitment of resources, control of resources, and unconventional management structure (Hills et al., 2008). Another study found 4 dimensions of EM: value creation and risk management, opportunity vigilance, and consumer-centric innovation (Fiore et al., 2013). This research expands on the most repeated characteristics of EM within the literature, which include: opportunity creation, innovation, resource leveraging, and personal networking and interaction (Hills et al., 2008; Morrish et al. 2010; Stokes, 2010; Fiore et al., 2013).

It should be noted that each of the components of EM do not function independently, but each interacts with another; having one characteristic strengthens the other (Morris et al., 2002). What's more, firms do not need to utilize each of the dimensions in order to be considered entrepreneurial. Morris affirms, "EM is a matter of degree, and various combinations of the underlying dimensions will result in marketing that is more, or less, entrepreneurial" (Morris et al., 2002, p. 8).

Opportunity Creation

The first defining characteristic of entrepreneurial firms is the constant search for and exploitation of new opportunities by entrepreneurs (Fiore, et al., 2013; Morrish et al., 2010). Morrish et al. (2010) propose that the very reason EM firms exist is to discover new markets and opportunities, making opportunity creation the foundation of what makes an EM firm different from a traditional firm. In an ever-changing market, attempting to predict future demand is difficult; therefore, rather than focusing on the market's ever-evolving demand, more necessary is an EM firm's ability to create a demand.

Others refer to this principle of constantly seeking opportunity as proactiveness—which is characterized by constant growth and development, and cooperating with competitors by finding an individual niche, rather than trying to undo another (Pitt et al., 1997). In his study of the strategic orientation of business enterprises, Venkatraman (1989) uses the term to “refer to a continuous search for market opportunities and experimentation with potential responses to changing environmental trends” (As cited in Pitt et al., 1997, para. 12). Proactive firms seize opportunities to create change and do not view situational forces as constraining or limiting, unlike most firms who are passive and strongly affected by the environment (Pitt et al., 1997).

Innovation

Another common characteristic of EM firms is innovation. Morrish et al. suggest that EM firms approach marketing with an entirely distinctive outlook, looking to create new segments, rather than reacting to the behavior of existing segments (2010). Innovation has been described by Pitt et al. as the “need for the business concept to be designed

around a unique or novel product, service, or process” (Pitt et al., 1997, para. 10). This way of thought directs marketers and managers to look beyond current demand and use intuition to create future demand. David Stokes, a professor of Entrepreneurship, conducted a series of interviews and focus groups between 1998 and 1999 to identify the primary differences between Entrepreneurial Marketing and Corporate Traditional Marketing (CTM). Using open-ended questions to provide unbiased data, he found that EM firms focus less on current customer needs and more on innovative ways to create a need (Stokes, 2000). The innovative nature of entrepreneurial firms closely aligns with and directly affects their ability to find and create new opportunities.

Innovative management is key to entrepreneurial thought, particularly in an unstable environment. Only those firms that create new resources through innovation are able to stay competitive (Morris et al., 2002). Morris et al. assert that innovation breeds competition, and “superior financial returns flow to those firms that are able either to create value *more* efficiently or to efficiently create *more* value for customers; this represents the link to entrepreneurial behavior” (Morris, et al., 2002, p. 9).

While the majority of marketing scholars agree that EM firms demonstrate a certain level of innovation and creativity, many often use the terms interchangeably. Wilson and Stokes make a distinction between the two (2005). After conducting a series of interviews of entrepreneurs, the authors profess the need for entrepreneurs to distinguish between creativity (the generation of new ideas) and innovation (the successful exploitation of those ideas), and why essential it is essential they actively practice both (Wilson & Stokes, 2005).

Personal Networking

Another significant difference between EM firms and CTM firms is their reliance upon more informal and interactive marketing methods compared to larger firms (Stokes, 2000; Martin, 2009). This is particularly true of entrepreneurs, who rely heavily on personal relationships and word-of-mouth marketing to expand their business. The primary way entrepreneurs maintain this level of personal contact with their customers is through their ability to communicate and network effectively (Martin, 2009).

An entrepreneur's personal network often reflects more of "a natural phenomenon than a planned process," meaning, many entrepreneurs form and utilize relationships to their advantage unintentionally (Martin, 2009, p. 399; Zontanos & Anderson, 2004). When interviewing an entrepreneur who had extensive CTM background, Martin discovered that he relied more on his personal contact networks and communication skills for his enterprise's success than any other factor (2009). As most SME's don't typically have the funds to conduct extensive market research, many entrepreneurs use their personal networks to gather information about current demand and market conditions in order to develop and adapt their marketing strategy (Gilmore, Carson, Cummins, O'Donnell & Gallagher, 2001).

In addition, personal relationships typically form a large percentage of an entrepreneur's customer base, especially at the beginning stage of the venture. SMEs utilize these networks to promote their business through word-of-mouth marketing and personal references. These relationships also form a sense of loyalty to the brand, increasing the customer's lifetime value and likeliness to become a promoter (Merrilees & Frazer, 2006).

This characteristic is perhaps most related to the size and scope of SMEs, and results mostly out of necessity. However, as will be discussed further in this paper, this trait can also be applied to larger firms by other means. Personal networking is a form of shrewd resource utilization characteristic of many entrepreneurs to gain knowledge and advice from other professionals. In addition, this principle demonstrates the desire of customers to be personally connected to the businesses they purchase from (Merrilees & Frazer, 2006). Firms can utilize this same principle by personalizing their brand and creating a form of two-way communication through social media, and other online outlets; focusing on the relationship aspect of business rather than just the sale (Merrilees & Frazer, 2006; Morris et al., 2002).

Other Common Characteristics

Other common characteristics of EM include a continual focus on change, an increased willingness to take risks, and the ability to leverage resources (Morris et al., 2002). EM firms understand that they are surrounded by an unpredictable environment, and therefore cannot maintain the same strategy for a prolonged period of time. Today's customers have higher expectations than any previous market, and those demands are constantly increasing and changing. EM firms continually monitor the market around them and make an effort to predict market demands.

Risk taking is defined as “willingness to pursue opportunities that have a calculated likelihood of producing significant losses” (Pitt et al., 1997). This comes with the entrepreneurial focus on change; with high change comes high loss. But change also produces increased opportunities for firms to succeed. EM firms also maintain an external focus on the market and possess superior knowledge of customers & market—

this trait is vital given the contextual nature of marketing. Marketers and business managers cannot make accurate decisions if not closely monitoring the environment. Finally, EM firms excel at leveraging the resources available to them, whether that includes networks, plant and equipment, business partners, or simply company assets. This is especially true of SMEs who have minimal resources; they are forced to make the most out of the scarce resources they possess (Morris et. al, 2002

CHAPTER 3: APPLICATION OF ENTREPRENEURIAL MARKETING

Each of the characteristics discussed in chapter two are useful in identifying and defining EM firms, but not as helpful for firms who would like to become more entrepreneurial in their marketing practices. In an effort to close this gap in the literature, this chapter offers practical implications for any firm wishing to implement EM. This chapter highlights the most appropriate environments in which to implement EM, presents a practical model that firms can utilize as a resource, and then addresses the most significant challenges and barriers to implementing EM. The solutions offered utilize the Four P Model by looking at each of the four P's through the lens of entrepreneurship; presenting practical examples of EM for each dimension that can be implemented within any business context.

When Should a Firm Implement Entrepreneurial Marketing?

While few instances exist where implementing EM practices would have a negative impact on a firm's performance, there are situations in which adopting EM theory is deemed more necessary. Morris et al. claim that "the need for entrepreneurship is greatest when firms face diminishing opportunity streams, as well as rapid changes in technology, consumer needs, social values and political roles" (2002, p. 4). In other words, if a firm begins to see a decline in sales, whether due to an ill-informed combination of the marketing mix or a subtle change in consumer demand, it is because the firm lacks a proper understanding of its market and needs to innovate. The same is true when "firms are confronted with short term decision windows, unpredictable resources needs, lack of long-term control over the environment, increased resource

specialization, rapid resource obsolescence and employee demands for independence”— each of these situations demands a change in the way firms interact with their market (Morris et al., 2002).

As stated previously, the greatest need for EM presents itself in a volatile environment, when traditional marketing practices— which assume a stable market and generalize market demand— are no longer sufficient (Collinson & Shaw, 2001; Morris et al., 2002). Furthermore, “environmental conditions that are increasingly dynamic, frequently hostile, and mostly complex” create a need for entrepreneurial practices (Pitt et al., 1997, para. 8). Because today’s market matches these characteristics, it can be concluded that implementing EM would be beneficial, and perhaps necessary, for the majority of businesses operating today (Morris et al., 2002).

It should be noted, however, that EM can be implemented differently at each stage of marketing development (Morris et al., 2002). For example, a small firm just entering the market may more heavily utilize personal contact networks as a promotional strategy when starting out, but adopt more standard procedures as it matures. Despite this fact, firms must maintain an emphasis on constant innovation and opportunity creation throughout each stage of growth.

Applying EM to the Marketing Mix

When assessing the present literature, it was discovered that no practical model for implementing EM theory exists currently. The purpose of this research was to provide such a resource. In establishing a basis for the model, it was determined that the Four P Model utilized by traditional firms would serve as the best structure for this resource.

Many scholars argue that “the usefulness of the four P’s as a general theory is highly questionable” and ineffective for an entrepreneurial firm because of their innovative nature and need for flexibility (Martin, 2009, p. 392). These academics believe entrepreneurs (and today’s firms in general) need to take an entirely new and untraditional approach to marketing, claiming that the traditional marketing theory is not suited to meet current needs of the market (Martin, 2009). In 2004, Zontanos and Anderson proposed a model that deviates from the traditional four P’s and offer an entrepreneurial marketing mix that includes: practices, purpose, person, and process. While there is no doubt that entrepreneurs need to place greater emphasis on factors such as relationships and communicating purpose than larger firms, this method dismisses the need to consider the decisions that form the foundation of all marketing theory. What’s more, Zontanos and Anderson’s model does not accommodate larger firms that wish to become more entrepreneurial in their marketing practices, because larger firms require more structure in decision-making.

As a solution, other scholars, such as Morris, contend that even small firms need to adhere to the traditional marketing mix of the Four P Model, though should approach it with an entrepreneurial mindset. This thesis aligns with Morris and argues that each of the elements of the traditional marketing mix must still be the foundation of EM activity. Every firm must have a clear understanding of their positioning within the market by making decisions on price, product, promotion, and places of distribution. According to the provisional definition of EM offered in chapter one, EM theory can be applied within any business context, regardless of size or stage of maturity. In order for this statement to

remain valid, it is necessary to return to the Four P Model of traditional marketing, yet look at this model through lens of entrepreneurship.

The following pages apply the characteristics of entrepreneurship—a search for opportunity, innovative value creation, personal networking, resource leveraging and risk-taking—to each of the four P’s, providing specific examples of ways to implement EM within each area the marketing mix. This is visually represented in Figures 1 and 2 on pages 43 and 44. Figure 1 illustrates the input of entrepreneurial management that embodies these characteristics, resulting in EM strategies related to product, price, promotion, and place of distribution. Figure 2 depicts the implications of EM on each of the elements of the Four P Model. It should be noted that these examples are not exhaustive, and are meant to inspire marketers and entrepreneurs to expand their thought within each of these decision areas, rather than limit them. It would overtly contradict entrepreneurial theory to assert these suggestions as all encompassing. Unlike CTM, each of these factors is externally focused and emphasizes opportunities for value creation and innovation.

Product

Providing valuable and needed products and services is the primary reason for all business activity. Traditionally, products and services are generated by market demand. However, many of today’s firms have lost touch with demand and produce products that are the most cost efficient and focus on sales, rather than on innovative value creation (Morris et al., 2002). Firms also typically base a lot of decisions on other firms and often mimic those firm’s most successful product offerings. As a result, the market is overcrowded with duplicate products, which often to not match customer demand and

which provide an overabundance of substitutable products for customers, leaving firms with little or no competitive advantage.

EM firms must take their environment into account when creating products. Pitt et al. (1997) describes the turbulent environment as having certain implications: as demand rapidly evolves, companies have to update products at a faster pace, resulting in higher rates of product and service innovation (which often leads to higher rates of failure). This also often creates the need for increased product and market specialization (also known as “nichemanship”). This idea of nichemanship entails finding untapped market segments where demand exists and taking advantage of it (Pitt et al., 1997). This is characteristic of many entrepreneurs, but rarely utilized by larger firms.

Innovative value creation begins with a product that is needed and desired by a market—even if the need is currently unknown. The higher the demand that exists for a product or service, the greater flexibility firms have with the rest of the elements in the marketing mix. Prices can be higher, advertising costs can decrease, and mass distribution can occur when firms offer products and service that meet the unknown demand of the market. Take Apple; for example, who introduced its first iPhone in 2007, offering customers a product they hadn’t realized they needed. And with the company’s continual innovation throughout the years, demand has only grown, to where the company has almost entirely immersed the marketplace with dozens of products that provide significant value to customers. What’s more, because Apple offers products that are unique and high in value, customers were willing to pay a steep price. This trend has only continued with the release of each new product.

Another important factor of the product creation is resource leveraging. Morris et al. (2002) suggest that the “most critical form of leveraging involves the ability to use other people’s resources to accomplish the marketer’s purpose” (p.8). This can be through bartering, borrowing, renting, leasing, sharing, recycling, contracting, and outsourcing (Morris et al., 2002). In other words, EM firms excel at finding opportunities to utilize all the resources at their disposal. This is especially critical for SME’s who lack adequate financial resources and have smaller networks.

Resource leveraging can also offer significant advantages to larger firms. This can exist by using current products or services as ideas to introduce complementary products, or by realizing that existing plant and equipment are not being utilized to their full capacity, and finding ways to use them to make a profit (Pitt et al., 1997). Pitt et al. (1997) assert that using one product line to generate sales of another line exemplifies a more entrepreneurial perspective. Another example of this is looking at current products and services for opportunities to be utilize them in new ways. In other words, firms should continually be asking, “*What are new way consumers can engage with our current products in order to increase interaction and sales?*” This involves thinking outside the norm, and requires high innovation and opportunity, but this practice can be exceedingly rewarding for firms (Pitt et al., 2002). The greatest form of resource leveraging is utilizing relationships to determine market needs and demands (Martin, 2009).

What’s more, today’s consumers have high expectations for products and services. In today’s market, the design (which includes both functionality and appearance) is more important than in previous generations (Markelz, n.d.). Today’s consumers expect aesthetic products that are easy to use. Apple thrives off of this understanding. In the

same way, they expect excellent customer service, online shopping, free shipping, etc. Firms must also focus on building lasting relationships with consumers through an excellent customer experience and by exceeding customer's expectations. However, meeting these customer demands does not make a product entrepreneurial—marketers must figure out innovative ways to exceed market expectation in order to deliver the best customer experience. This can only be accomplished by possessing a keen understanding of the market, and the ability to not only predict, but to create customer needs (Morris et al., 2002).

Implications of an Entrepreneurial Product Strategy:

- Adopting a keen awareness of market needs & ability to predict future demand
- Finding opportunities to create demand for unknown needs
- Focusing on the customer experience, not just product and services
- Leveraging resources to increase productivity, efficiency, and market knowledge
- Continually updating and changing products
- Considering new uses and possibilities for current products

Examples of Entrepreneurial Products:

- Dominating unique market through nichemanship need to control pricing
- Developing products that generate sales of another product line
- Designing products that fulfill an unknown need to create demand
- Focusing on product/service aesthetic, not just the functionality
- Focusing on customer experience of product/service, not just the sale

Due to the high level of change in today's market, continual product evolution is vital.

Implications for an entrepreneurial product strategy include a thorough understanding of

one's market demands, a constant search for new product and service opportunities, leveraging available resource to increase utilization, and using an innovative mindset to envision new products or reimagine existing products. *See Figures 1 and 2 on page 43 and 44.*

Price

Price is perhaps the most commonly overlooked element of the marketing mix (Levy, 2011). Traditional marketing assumes two practical functions of pricing: to make a profit and to maintain a competitive positioning among substitute products (Pitt et al., 1997). It is perhaps the last area a firm would look to become entrepreneurial because of its seemingly objective nature. Under CTM, firms typically employ pricing strategies that are cost-based—meaning prices are determined based on the cost of creating and delivering the product or service; and reactive—meaning firms adjust their pricing based on the pricing strategies of their competitors. With so much competition between firms offering homogenous products and services, it is no surprise many are apprehensive to become creative in their pricing strategy (Levy, 2011).

Contrary to popular practice, however, under EM, “pricing should be a core part, and a reflection, of corporate and/or business unit strategy” (Pitt et al., 1997, para. 25). Pitt et al. emphasize a need to for pricing decisions to focus on the external environment as it becomes increasingly turbulent (1997). When applying EM, covering costs and making a profit can no longer be pricing's only role. Some scholars would go so far as to claim that a firm's success is “increasingly dependent on their ability to engage in pricing that is market-based, risk-assumptive, proactive, and flexible,” regardless of the industry or size (para. 19).

Marketing managers are “forced to abandon conservative, risk averse pricing approaches when faced with rapidly maturing products, demands from customer groups for unique product/service packages, and aggressive competitor forays into their markets” (Pitt et al., 1997, para. 23). In a volatile market, using cost-based pricing does not give firms the flexibility needed when customer expectations change, when new market opportunities arise, and when competitors introduce new strategies, making market-based pricing a necessity (Pitt et al., 1997). Another reason for flexible pricing includes taking advantage of the varying price/value perceptions throughout the market, which are the result of a rapidly changing environment (Pitt et al., 1997). A flexible pricing strategy does not just mean price-cutting, but entails innovation in adjusting each of the price variables (Pitt et al., 1997). As mentioned previously, complex environments allow firms to “act independently (or undetected) on price within a given niche” (para. 23). Apple’s exceptional technology paired with a seamless integration between the iPhone, iPad and Macbook creates a package that no one else offers; allowing them to sell products at a higher price point than would have previously been accepted by the market.

The key to entrepreneurial pricing is proactivity; most firms react to the market or their competitors, rather than setting a new standard. Pitt et al. claims that a primary objective of price should be to proactively discourage competitors from entering a firm’s market (1997). Price structure, which includes decisions related to “which aspects of each product or service have a price attached, how prices will vary for different customers and usage situations, and the time and conditions of payment,” allows for the greatest amount of creativity in price-related decision making (para. 28). Pitt et al offer several examples of entrepreneurial pricing that are innovative, proactive, and flexible: bundling and/or

unbundling one's product offerings for pricing purposes, charging price differentials to different market segments, varying price based on time of consumption, various time payment schemes, and creative discount structures (1997). In order to avoid confusing pricing strategies that are difficult implement, Pitt et al. recommend managers first segment markets, determine areas of price sensitivity, and communicate price policies to key decision makers (Pitt et al., 1997).

The way individual businesses implement entrepreneurial pricing will often look different. SME's, particularly ones who excel at personal networking and promotion, have more flexibility when it comes to pricing (Pitt et al., 1997). For small businesses owners, particularly those within a supportive community, consumers are often willing to spend a greater amount on a product or service in order to support a local business. Focusing on building relationships and increasing specialization will increase perceived value of a product, and enable a higher pricing strategy (Zontanos & Anderson, 2004). This does not make the price factor irrelevant, however; offering a price too high above a substitute product will diminish the willingness of a customer to pay for it. On the other hand, pricing strategy becomes exceedingly important for larger firms as the environment becomes more competitive and volatile.

It also important to recall that each of the elements of the marketing mix do not function independently of one another, but rather each directly affect each other. Price is perhaps the greatest example of this: the higher the cost of production, promotion, and distribution, the higher the price must be to make up for the cost. Conversely, the more differentiated and specialized a product or service, the more a firm can control the price of the product. This is why nichemanship is so effective in today's market; it creates high

customer value by fulfilling a specific demand in the market, allowing for higher control over pricing strategy and structure (Levy, 2011).

Implications of an Entrepreneurial Pricing Strategy:

- Abandoning cost-based pricing for market-based pricing
- Implementing a creative price structure
- Using price as a strategy to discourage competitor market entry
- Willingness to take on a higher-risk pricing strategy for possible greater return
- Utilizing proactive rather than reactive pricing

Examples of Entrepreneurial Pricing:

- Bundling or unbundling products to take advantage of price
- Varying prices between market segments
- Various time payment schemes
- Creative discount structures
- Emphasizing nichemanship to create new pricing standard

While many assume price is an objective element of the marketing mix, a volatile market demands managers develop a creative price strategy. This implies that firms abandon cost-based strategies for market-based strategies, utilize proactive rather than reactive pricing, and accept higher risk approaches to pricing. *See Figures 1 and 2 on page 43 and 44.*

Promotion

Traditional marketing puts an over-emphasis on promotion, particularly larger corporations (Morris et al., 2002). The introduction of the digital marketing methods through the Internet and social media over the past decade has introduced new

opportunities for advertising, and also presents new challenges. Despite its significance, very few businesses have an integrated marketing plan to merge traditional and digital advertising strategies (Villar, 2014). Traditional advertising methods are becoming increasingly irrelevant, as consumers are daily bombarded with an over abundance of advertising messages everywhere they look (Lee, 2012).

Many firms dive into the promotional aspect head-on, without first considering the importance of creating products with high perceived value and developing innovative pricing strategies. This overemphasis is where many traditional firms fail, promoting products and services that do not align with market demands due to a lack of understanding (Morris et. al, 2002). An entrepreneurial promotional strategy is most effective when product, pricing, and promotional strategies are also using the same principles of innovation, opportunity creation, and resource leveraging.

In the past, the focus of marketing was the transaction, but in an over-crowded market, the emphasis is shifting to the relationship between businesses and their customers (Morris et al., 2002). Entrepreneurs understand the value of strong relationships with their customers and business partners; it can be argued that the greatest assets of entrepreneurs are their connections (Martin, 2009). EM firms need to apply this same mindset to their promotional marketing strategy. Today's consumers are not motivated by blanket marketing strategies such as billboards, TV commercials, mailers, etc. While these are useful for building awareness, they do little to connect with customers on a personal level and gain brand advocates (Lee, 2012).

While relational marketing may come more naturally for SMEs because of the crucial role personal networks play in their success, a lot can be gained by applying EM

principles to promotion. Harvard Business Review proposed several ways to approach promotional marketing innovatively, starting with an emphasis on building relationships (2012). Advertising that puts an emphasis on community is key (Lee, 2012). As stated previously, SMEs understand the value of word-of-mouth marketing, and yet, few larger firms give it the same emphasis. The introduction of social media has already made an impact in creating this sense of community between firms and their customers. Lee emphasizes this need for community orientation: “companies should position their social media efforts to replicate as much as possible this community-oriented buying experience” (Lee, 2012, para. 8).

Firms can build this sense of relationship and community by finding customer influencers who represent their brand (Lee, 2012). These customer influencers are highly esteemed by a firm’s target market, and can help firms to affordably penetrate their market. For example, many firms utilize social media to sponsor users with large followings such as celebrities or bloggers. These influencers should also be strong customer advocates who care about the needs of the market and can provide valuable information (Lee, 2012). This is different than the traditional marketing methods of bandwagon and celebrity testimonial used by marketers for decades. This approach is about building authentic relationships with influencers who honestly believe in the mission of the firm and highly value the products and services they offer. It is also increasingly important to get consumers involved— social media has provided a way for this two-way communication to occur.

Over the last decade, social media has become an increasingly powerful tool in gaining and maintaining interaction with customers (Kirtis & Karahan, 2011; Kaplan &

Haenlein, 2012; Goldman & Gibbs Howard, 2013). Kirtis & Karahan note that, in addition to the personal and constant presence social media provides, the low costs needed to operate social media make it an extremely attractive marketing opportunity for EM firms (2011). For the first time, businesses have the ability to build awareness anywhere and anytime, and in a very personal way. Many case studies of successful small and large firms have been conducted to better understand the effectiveness of social media (Kaplan & Haenlein, 2012; Goldman & Gibbs Howard, 2013). These scholars offer that the most successful businesses utilize a social movement and use social media to build awareness around this movement and their brand. They propose the success of this method is due to the personal interaction offered, making users feel personally connected to brands (Kaplan & Haenlein, 2012; Goldman & Gibbs Howard, 2013). What's more, social media's ability to transcend personal acquaintances and enable connections internationally gives firms the ability to expand to distant markets unlike ever before. This principle takes the personal connection aspect of entrepreneurship and applies it to a larger scale.

Social media causes companies to rethink the way they market: companies are slowly evolving from traditional strategies characterized by generalized one-way flow of communication into a two-way communication flow. This method allows consumers to interact with businesses, engage in conversations with the business and other consumers, and even contribute content (Csordás, & Gáti, 2014). There is no doubt that a strong Internet presence is crucial, but an effective marketing strategy goes beyond just online presence (Villar, 2014). Marketers must have a strong understanding of consumer

behavior and look for opportunities to offer solutions that seem natural, rather than forced.

One major difference in the market today is that consumers are often looking for businesses faster through the Internet than business are reaching them; while this potentially can reduce costs, it presents a new problem: consumers are quickly comparing products online, comparing brands, prices, and quality (Villar, 2014). Because of this, marketers need to move beyond simply building awareness, but “deliver a more compelling message in a more creative format across multiple channels” (Villar, 2014). Villar uses the example of a mailer to illustrate the irony of traditional marketing in the digital age: if a potential customer receives an advertisement in the mail, they may become interested in a firm’s product or service, but will more than likely do online research before making a purchase. In other words, one firm’s promotional marketing has high potential to generate a sale for their competitor, if the customer perceives the competitor offers greater value. This concept is not new; customers have compared products and prices for decades. Only now this actions occurs increasingly more frequently and at a much faster pace. To counter this dilemma, firms must have a keen understanding of their customer base in order to offer a product that truly exceeds the value of substitute products in the eye of the customer.

Effective promotional marketing requires significant planning and research, and begins with an understanding the customer base; this does not just include a firms target market or ideal customer, but requires understanding customers who actually generate the most revenue (Villar, 2014). While this is not a new strategy, looking for opportunities to create

[...] emotional connections with customers is critical to earning customers that believe in a firm's product or service, simply because their advertising shows they understand the needs of the market. Firms need to direct their message at their target market, and then make sure their message effectively reaches the desired audience. (Villar, 2014)

Entrepreneurial promotional marketing focuses on creating perceived value for customers and building relationships between businesses and their customers (Morris et. al., 2002). This can be accomplished through several means, but personal networking is the most effective, primarily for SMEs (Martin, 2009). Obviously, larger firms won't be able to use personal networks in the same manner, but can achieve this same sense of community through social media. This is primarily effective when a firm uses social media to attach themselves to a social movement, such a commitment to end world hunger. A growing amount of consumers want to know that the companies they invest in are investing in worthy causes within their community or abroad. This can also be utilized to gather followers with like interests and build community through a technique known as tribal marketing (Csordás, 2014). This strategy builds momentum around a way of living or persona, as is used by Harley-Davidson.

Finally, Entrepreneurial Marketing can manifest itself in more grassroots forms or marketing, such as guerilla marketing (Morris et. al, 2002). This strategy is used by many SMEs as a low cost option to reach a high volume of customers. This method ignores traditional marketing methods such as television advertising and billboards, etc. and focuses on opportunities to reach high amounts of customers at a low cost; this could be in the form of street advertisements in high traffic areas, passing out flyers on busy streets or finding ways to advertise at large sporting events or festivals (Morris et. al., 2002).

Implications for an Entrepreneurial Promotion Strategy:

- Thorough understanding of customers' buying activities
- Integrated marketing strategy that includes digital marketing
- Possessing a thorough understanding of target marketing in order to deliver an effect message that will appeal the their likes & needs
- Finding opportunities to build community thorough social media and other means
- Utilizing social movements to showcase heart of brand
- Utilizing innovative, grassroots marketing techniques

Examples of Entrepreneurial Promotion:

- Effectively utilizing relationships to promote brand, whether personal or through customer influencers
- Using social media to drive two-way communication
- Guerilla marketing and other high-reach, low-cost methods
- Using cause-related marketing to connect to the emotional side of the sales experience

While promotional strategy is typically the most emphasized portion of the marketing mix, managers often fail to promote effectively. Firms typically have a strong grasp at build awareness, but often struggle when it comes to the connection aspect of promotional marketing. An Entrepreneurial Promotion Strategy requires an individualized approach to advertising. Once again, firms must have a comprehensive understanding of their market in order to personalize their marketing messages. This entails a thorough understanding of consumers' buying behavior, an integrated approach to digital marketing, and a social media strategy that focuses on two-way

communications between businesses and customers. *See Figures 1 and 2 on pages 43 and 44.*

Place (Distribution)

Sometimes the wrong distribution channel is the reason for a firm's lack of success. Businesses can pour all of their resources into developing the right product, setting the price structure, and building promotional campaigns, but if the product or service is not available where the demand exists, they will not reach their sales projections. In traditional marketing, distribution entails supplying products, delivering products, and making them available for sale (Sales and Distribution Channels, 2006).

An effective distribution channel is what enables sales activity to occur. This activity typically includes: grabbing the customer's attention, conveying the value of the product/service and trust between the buyer and seller, making transactions convenient, and providing a way for the customer to receive the product or service (Sales and Distribution Channels, 2006). The traditional distribution channels in the past were highly standardized and limited to traditional retailers where demand already existed. However, the introduction of the Internet opened a new world of distribution possibilities for retailers. Businesses like Amazon have defied the brick and mortar retail standard and redefined distribution in general; selling every imaginable product category online and taking over significant market share from traditional retailers (Sales and Distribution Channels, 2006). EM firms must embody this opportunistic nature when determining distribution strategies.

The type of distribution channel not only depends on what products or service firms need to distribute, but also *who* they distribute to. Distribution strategies vary on

whether business sell directly to retailers, online, to other businesses through wholesale, or are a third party service. Adopting entrepreneurial mindset when it comes to distribution entails first understanding the buying habits of their target market and using that information to create opportunities to increase sales. Businesses should look to distribute to where high sales already occur, but also look for untapped distribution channels, such as partnership opportunities for large retailers, being proactive in their distribution approach, rather than just following the strategies of other firms, and finding ways to minimize barriers for customer purchases.

Implications of an Entrepreneurial Distribution Strategy:

- Possessing a thorough understanding of consumer purchase behavior to provide product/service where demand exist
- Practicing efficient resource utilization throughout entire distribution process
- Utilizing opportunities to form partnerships with other distributors
- Possessing awareness of areas of greater customer demand
- Utilizing an innovative and proactive mindset rather than reactive to find new channels of distribution before competitors
- Continually looking for opportunities to ease barriers to purchasing products

Examples of Entrepreneurial Distribution:

- Utilizing networks to distribute products through partnerships with larger retailers
- Varying distribution strategies based on segment
- Creative distribution/shipping methods to reduce expenses

- Find channels that offer the greatest reach or are currently untapped by competitors

While distribution channels may involve the most logistics out of the four P's, an entrepreneurial distribution strategy requires high levels of innovation and creativity to distinguish it from traditional strategies. This implies an understanding of the best potential distribution channels, an awareness of customer demand, and an effective utilization of networks to develop retail partnerships. *See Figures 1 and 2 on pages 43 and 44.*

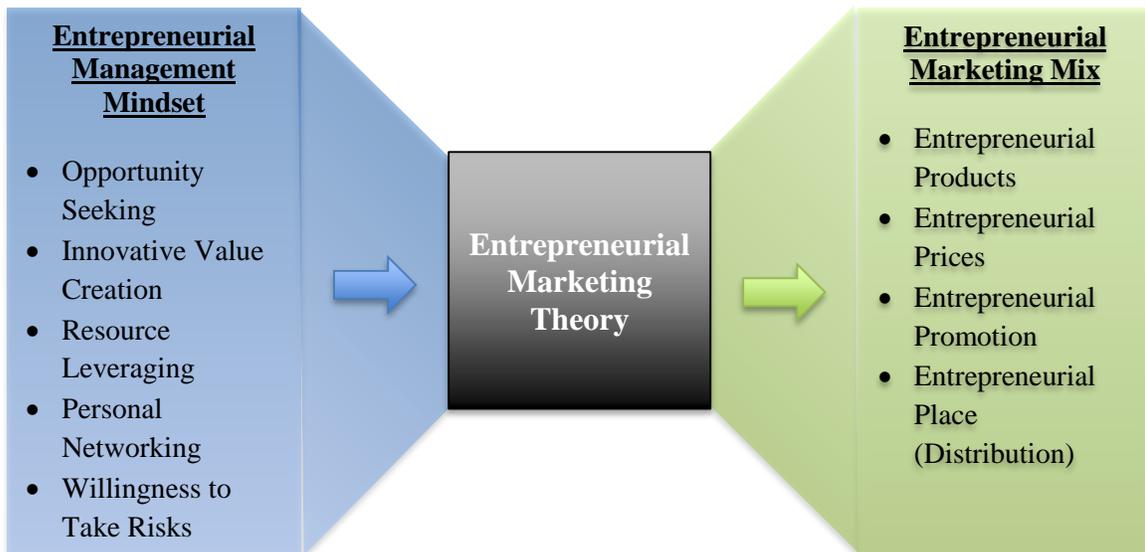


Figure 1: The Impact of EM Management on the Marketing Mix
An EM managerial mindset informs all marketing decisions resulting in an Entrepreneurial Marketing Mix.

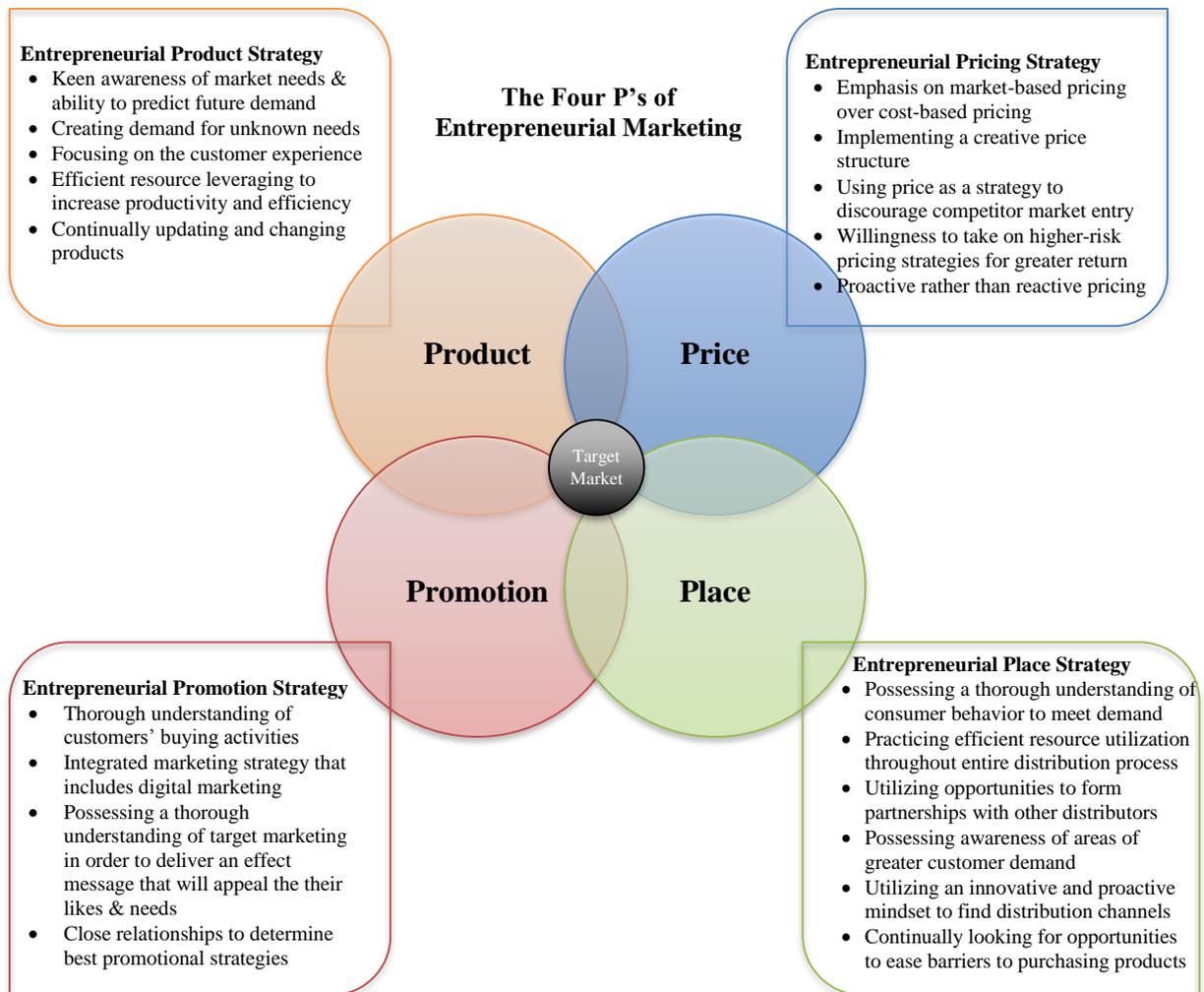


Figure 2: Implications for the Entrepreneurial Marketing Mix

Entrepreneurial Marketing Education

With the growth of EM research, one would expect to find a greater emphasis placed on implementing EM education in marketing curriculum at universities. While the demand is there, few universities have taken advantage of this resource (Collinson & Shaw, 2001). This chapter investigates the need to incorporate EM as an academic discipline, the growing demand among college students for EM programs, and the effect of EM education on the student's future actions as an entrepreneur.

The Need for EM Education

The majority of the existing literature on Entrepreneurial Marketing has been written by professors of Marketing or Entrepreneurship (Miles, Hultman, Hills, etc.), proving the growing amount of interest in EM within the academic world. In 2006, it was found that there has also been a slight increase in career opportunities for marketing professors interested in EM over the past 20 years due to its growth (Hills, Hultman & Miles, 2008). Despite this growth in interest, research in the field of EM is still relatively scattered (Hills & Hultman, 2011).

The recent emphasis within academic research on the importance of EM would suggest that, "curricula are adequately developed to encourage students to learn how to deal with change, identify viable opportunities and develop their innovative skills" (O'Brien and Hart, 1999; Collinson & Shaw, 2001). Scholars recognize the differences between large and small firm and stress the need for an increase in entrepreneurial education in marketing theory being taught in universities (Carson, 1993; Martin, 2009). However, current business education literature reflects the fact that educational

institutions do not yet fully appreciate the value of EM (O'Brien and Hart, 1999; Collinson & Shaw, 2001). EM education gives marketing managers the opportunity to “problematize the familiar;” this directly contradicts traditional marketing theory, which places an emphasis on overgeneralizations (Martin, 2009). Because of the condition of the marketing environment, marketers must be taught how to be change-focused, create value and identify opportunities.

This growing interest towards EM among academics is also reflected among college students (Peltier & Scovotti, 2010; Stokes & Wilson, 2010). In 2010, Peltier & Scovotti conducted a survey among college students to assess the level of interest among marketing students. The results of the study showed that a large portion of marketing students possess an interest in becoming an entrepreneur and a desire for entrepreneurial education through experimental learning activities, networking opportunities, etc. (2010). Stokes and Wilson found this same interest among college students for increased emphasis on entrepreneurship in their education (2010). Because entrepreneurs often possess a different way of thinking, the researchers propose that educators need to take a different approach to teaching entrepreneurship, and propose three dimensions of entrepreneurship (context, behaviors, and process) that should be included within EM education (Stokes & Wilson, 2010). Rezvani & Khazel questioned which dimensions of EM institutions emphasized the most within EM education (2013). Through an analysis of 49 universities' scores of 7 dimensions, they found that the institutions prioritized the dimensions uniquely, however, Calculated Risk Taking scored the highest among universities (Rezvani & Khazel, 2013).

The Effect of EM Education

Rauch & Hulsink conducted a study in 2015 to measure the effectiveness of entrepreneurship education on future venture creation. The literature suggests that entrepreneurial education is in fact effective on students' future performance (Rauch & Hulsink, 2015). Not only does entrepreneurship education impact an individual's likeliness of becoming an entrepreneur, but also adds to the likeliness of their success after starting a venture. As this research has proven, entrepreneurial marketing practices can be implemented even by larger, more established firms; not just by new ventures or individual entrepreneurs (Morris et al., 2002). That being said, EM education should theoretically result in more effective marketing practices in all firms, delivering products and services that more closely match market demands, and increased competition between established firms.

Challenges & Barriers to Implementing EM

Because EM goes against the status quo, there are multiple challenges a firm may face when attempting to implement practices. The lack of entrepreneurial education is the biggest factor affecting a firm's entrepreneurial ability. One challenge is the understanding an individual who receives an entrepreneurial education does not necessarily mean an individual will decide to begin an entrepreneurial venture (Rauch & Hulsink, 2015). However, current firms that desire to become more entrepreneurial will benefit from implementing EM practices. Once universities begin to adopt this mindset and incorporate EM education in their curriculum, we will begin to see the long term effects of EM education and better be able to measure it's effects.

International Entrepreneurship

Researchers have also studied entrepreneurs' ability to market effectively internationally. Marshall was the first to introduce the term International For-Profit Social Entrepreneur (IFPSE). Marshall studied three IFPSEs and created a model based on his research. The model included four dimensions similar to the characteristics of traditional EM: mindset, opportunity recognition, social networks, and outcomes (2011). In their interviews of entrepreneurs in the US and Sweden, Hills et al. also found a high degree of consistency between the characteristics of both international and local EM practices (2008).

Due to the importance of networking among International Entrepreneurs (IE), scholars developed a model that IEs can follow to develop international relationships (Sigfussion & Harris, 2012). Sigfussion & Harris also studied the effect of having a domestic market on the entrepreneur's ability to succeed internationally. They found that the presence of a local market decreases an entrepreneur's international networking ability, whereas entrepreneurs without a domestic market are far more likely to build active international relationships more rapidly (2013). Other research has been conducted on the knowledge needed in order for an entrepreneur to expand internationally (Fletcher, Harris, & Richey, 2013). Through a series of case studies, Fletcher, Harris, & Richey developed three categories of International Knowledge (IK) that internationalizing firms need to gain market entry and recommend that entrepreneurs increase their level of IK before expanding internationally (2013).

CONCLUSION AND IMPLICATIONS

With an increasingly turbulent market, marketers are finding difficulty predicting consumer demands, and academics have found that traditional marketing theory is no longer highly effective in making educated marketing decisions. With the growth in the EM research over the past several decades, researchers have found these practices to be effective not only for SME's but also for larger firms. The majority of the research conducted has used primarily qualitative methods to uncover typical entrepreneurial practices (Collinson & Shaw, 2001). While sufficient research has been conducted on the defining characteristics of EM, the literature lacks practical implementation strategies for firms wishing to apply these practices. The model offered in this research applies the defining characteristics of EM—a search for opportunity, innovative value creation, personal networking and resource leveraging—to each element of the marketing mix. This model requires an innovative management strategy and a keen external focus on the market. Implications for practice involve constantly looking for new opportunities, while maintaining a flexible and market-focused mindset. Applying these principles, to either SME's or to larger firms, should significantly increase the success of a firm, increase competition among firms, and better meet the needs of the market through nichemanship.

Areas of future growth include more qualitative research of entrepreneurial firms, specifically larger firms (which have had the least amount of exposure to EM research), to identify new ways to constantly innovate. The majority of studies on EM have utilized either case studies or in-depth interviews of entrepreneurs, so it seems natural to conduct primary research utilizing these methods. Qualitative research could include inquiries

into specific practices in each of the Four P's to affirm the validity of the model presented in this paper. As a budding entrepreneurial community, Lakeland, Florida would be an excellent community to conduct primary research. Another possibility would be to facilitate a study of Entrepreneurs in Lakeland who implement the proposed model over a two or three year period to see the results. Questions asked of the entrepreneurs could potentially include: whether or not they consider themselves to be entrepreneurial before the study, whether or not they saw a difference in the success of their business after implementing EM practices, when they saw a change in the responsiveness of their market, which practices they believe had the biggest impact on their success. The study can then compare the results of the findings to the characteristics of EM and the model presented in this thesis and address any discrepancies. Finally, future research could involve an in-depth analysis of International Entrepreneurship, rather than just focusing on domestic EM firms.

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