

The Past and Present of Entrepreneurial Marketing: A Conceptual Insight

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Abstract

The significance of entrepreneurs and entrepreneurship are extensively recognized. The entrepreneur has become a hero in recessionary times. And the ability to operate, and often also to grow, a business in a challenging business environment is important for society. So there is a need for scholarly studies of entrepreneurship and its intersections with other academic disciplines, such as marketing.

Marketing and entrepreneurship have always gone hand in hand. In the recent years it has been acknowledged that the marketing as practiced by entrepreneurs is very different to the concepts offered by the marketing textbooks. Unlike the traditional marketing which is customer centric, entrepreneurial marketing relies on the abilities of the entrepreneur. This conceptual paper integrates the various definitions of entrepreneurial marketing, compares entrepreneurial marketing with traditional marketing and gives a brief overview of the various forms of entrepreneurial marketing of the recent times such as Buzz Marketing, Viral Marketing and Guerilla Marketing.

Key Words: *Entrepreneurial Marketing, Traditional Marketing, Buzz Marketing, Viral Marketing, Guerilla Marketing.*

Introduction

Each firm requires a level of marketing direction to endure itself in the Market which in turn decides its achievement or failure. Key aspects such as how to establish the firm in the market, which customer groups to aim and what goods and services to be offered are the principal concerns of any entrepreneur.

The fundamental idea of involving Marketing and Entrepreneurship has been discussed for numerous years. Entrepreneurs have

recognized the significance of marketing to their accomplishment. So at hand is a need for academic studies of entrepreneurship and its interactions with other scholastic disciplines, such as marketing. The essential idea of connecting Marketing and Entrepreneurship has been discussed for several years. Early authors involving the two fields as one were, for example, Murray (1981) and Tyebjee et al. (1983). Marketing from the viewpoint of an

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entrepreneur is not presently one of the functions of the trade that must be conceded out such as accounting, finance, or HRM; but is frequently measured by entrepreneurs as the center function of the firm.

At the instance of the primary Marketing as well as Entrepreneurship Symposium in 1982, typical marketing, as defined by the American Marketing Association in 1981, was extremely dissimilar from deliberations of entrepreneurial marketing. However, the space has been abridged by the method the American Marketing Association altered the definition in 2004 and in 2007 (Jones and Rowley, 2011).

Evaluation of accessible research about marketing and entrepreneurship point to those facts of Marketing and Entrepreneurship has perpetually been two outstanding research areas for numerous researchers. Raising alertness about the collision of entrepreneurship and novelty in Businesses and the role of marketing in obtaining success has paved the way to the grouping of these two disciplines and the making of entrepreneurial marketing conception. This structure of marketing tends to be receptive and reactive to opposition and opportunistic in character. Certainly, empirical facts suggest that there exists a high degree of correlation between a firm's marketing and entrepreneurial practices, both widely being accountable for corporate accomplishment (Jones and Rowley, 2011). In one of the most inclusive discussions on entrepreneurial marketing, Morris et al. (2002) suggest that entrepreneurial marketing composes of a practical organizational focus on consumer satisfaction through inventive and efficient value creation all through the value chain (Miles and Darroch, 2004).

1.2 Entrepreneurial Marketing - Definitions

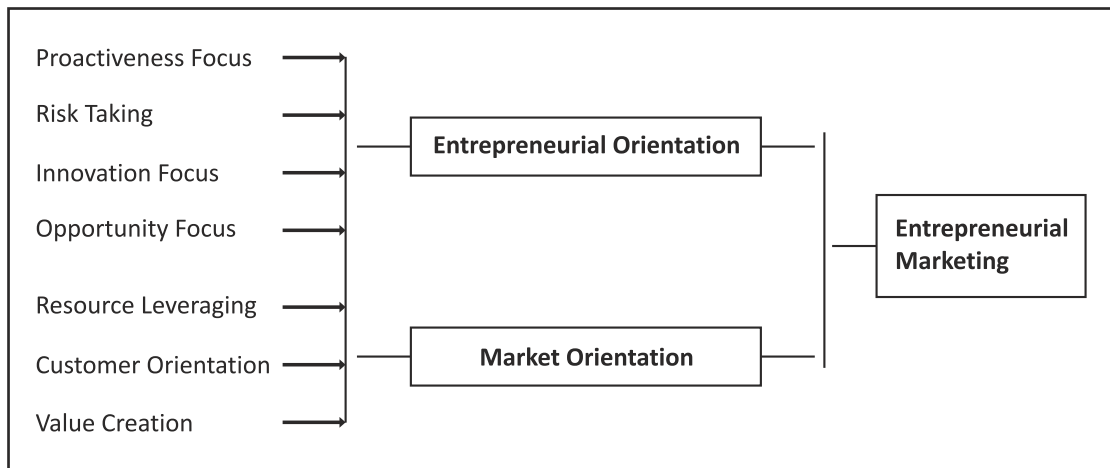
The definition of entrepreneurial marketing has emerged from being concerned about performing primary business actions to focus on activities, institutions and processes for value-creating offerings for the end user. Hills et al. (2010) defines Entrepreneurial Marketing as: "EM is a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility." As distinguished earlier, the most recent AMA (American Marketing Association) definition of marketing says that: "EM is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". The implications of AMA's marketing definition for EM will be different from traditional AM in further significant ways; for instance, entrepreneurial marketers use novelty to generate value-added differences in their marketing strategies, rather than adopting a cost-based competitive advantage. Yet, overall, the new AMA definition is more consistent with EM than previous definitions.

Likewise, Berthon, Ewing and Napoli (2006, p.4) anticipated that not all "conventional principles approved in the marketing literature" can be applied in an EM context. Carson (2000, 1999) suggests that marketing in an organization is relative, and firms with an entrepreneurial structure engage in marketing differently than those firms that operate in a more traditional structure. For example, for most entrepreneurial marketers,

marketing is a social, personal activity and not only an organizational function. Marketing to attain growth is what many entrepreneurs are passionate about. The literature has also suggested that entrepreneurial organizations

have a different set of marketing efficiencies that typically include a higher understanding of consumer needs, latest market trends, and market positioning of the firm (Smart and Conant 1994).

Figure 1: Characteristics of Entrepreneurial Marketing



Source: "Entrepreneurial Marketing", Guest Lecture Kosice 2011; Prof. Dr. Christine VolkmannDipl.-Oec. Holger Berg

1.4 Comparison of Entrepreneurial Marketing with Traditional Marketing

Entrepreneurial decision-making in small firms is strongly dependent on the entrepreneur's ability to interpret changes and signals in the business environment; mostly the needs and wants of its consumers and partners, as well as the competitive patterns and competitor's procedures in the market. At the entrepreneur-level, the entrepreneur's characteristics and personality have an impact on the firm's marketing actions. The entrepreneur's expansion aspirations will considerably increase investments into a small firm's EM practices. Entrepreneurs with a higher education level are more knowledgeable about

various marketing strategies as compared to those with a lower educational level. This is especially correct when it comes to digital marketing and collaborating with various kinds of market players.

Entrepreneurial Marketing cannot exist in the deficiency of the entrepreneur. Unlike traditional marketing, which is completely consumer-centric, EM gives equal importance to the customer and the entrepreneur as important factors that form the background, approach and firm performance. There are five considerable differences between the mode non-entrepreneurs believe (predictive logic) and how entrepreneurs think (effectual logic) (Dew, R. et al., 2009):

1) Visualization for future: it is predictive for predictive judgment and creative for effective

logic. In the primary case, the upcoming future is seen as a connecting continuation of the past and consequently can be predicted. In the second case the future is formed, at least partly, by voluntary events of agents and hence his prediction is not probable;

2) Foundation for making decisions: in predictive logic, events are determined by

purpose. In effective logic, actions are determined by accessible means. Purposes “are natural” by imagining courses of action formed on those existing means;

3) Approach towards risk: in predictive judgment, an option is chosen based on highest gain while in effective logic an alternative is chosen based on how much the

Table 1: Contrasting Traditional Marketing and Entrepreneurial Marketing

Components	Traditional Marketing	Entrepreneurial Marketing
Basic Premise	Facilitation of transactions and marketing control	Sustainable competitive advantage through value-creating innovation
Orientation	Marketing as objective, dispassionate science	Central role of passion, zeal, persistence and creativity in marketing
Context	Established, relatively stable markets	Envisioned, emerging, and fragmented markets with high levels of turbulence
Marketer's Role	Coordinator of marketing mix; builder of the brand	Internal and external change agents; creator of the category
Market Approach	Reactive and adaptive approach to current market situation with incremental innovation	Proactive approach, leading the customer with dynamic innovation
Customer Needs	Articulated, assumed, expressed by customers through survey research	Unarticulated, discovered, identified through lead users
Risk Perspective	Risk minimization in marketing actions	Marketing as vehicle for calculated risk-taking; emphasis on finding ways to mitigate, stage or share risks
Resource Management	Efficient use of existing resources, scarcity mentality	Leveraging, creative use of the resources of others; doing more with less; actions are not constrained by resources currently controlled
New Product/Service Development	Marketing supports new product/service development activities of Research and Development and other technical departments.	Marketing is the home of innovation; customer is co-active producer
Customer's Role	External source of intelligence and feedback	Active participant in firm's marketing decision process, defining product, price, distribution and communication approaches

Source: Morris, et al (2002) p. 3

entrepreneur can afford to lose by selecting it;

4) Attitude toward outsiders: competition – in case of prognostic judgment and collaboration - in case of effective logic;

5) Attitude towards unforeseen contingencies: escaping – in case of prognostic logic and fructification – in the effective logic. Accurate predictions, cautious development and focus on objectives – which are precise to predictive logic – create contingencies to be supposed as obstacles to be avoided. Avoiding predictions, inspired thinking, constant transformation of objectives – which are specific to effectual logic– make contingencies to be apparent as opportunities to generate something novel and therefore are valued.

1.5 Forms of Entrepreneurial Marketing

1.5.1 Guerrilla Marketing

The word guerrilla marketing was coined by Jay Conrad Levinson in 1984 (Levinson, 1984). It stands for assortment of economical, high-impact marketing techniques that permit small companies and/or persons to act like large companies. Guerrilla marketing is regarded as the antecedent of entrepreneurial marketing concepts. It is concerning the effort to attain wide-ranging consequences with an untypically small utilization of resources by performing like a guerrilla. Guerrilla marketing is destined to be astonishing, efficient, insubordinate, infectious, and in the top case even impressive thereby bursting through conservative perceptions and leading to a “wow factor”. It focuses on the ease, and aims for the receiver to be fascinated to the message, which stimulates a readiness to hand out it further. Guerrilla marketing procedures are often merely one-time, partial in scope, and rarely repeatable.

The altering nature of the guerrilla perception from a player oriented approach to a consumer oriented approach is accompanied by another development. In the earlier times, particularly the Small and Medium Enterprises focused on the guerrilla approach. In today's time, many of the bigger firms are interested in this approach. As a result of global developments, the firms have to cut down their advertising budgets. Therefore, the marketer's put more importance on the results given by the advertising ventures while planning their campaigns.

Furthermore, marketers have developed several innovative techniques under the roof of guerrilla marketing such as ambush marketing, sensation marketing, ambient marketing, etc. To sum up, guerrilla marketing is majorly defined by the indistinguishable objective of attaining big results at low costs and an enumerative list of instruments.

1.5.2 Buzz Marketing

Buzz marketing is a novel form of word-of-mouth statement which emerged as a response to the detail that more and more customers are serious towards traditional advertising. It is the effort to arouse the recipients through the utilization of spectacular proceedings so much that the merchandise becomes the topic of discussions or gossip. Buzz marketing makes use of the recipient's Internet, e-mail or mobile phone networks to create a buzz around a product or a brand, thereby parting the actual advertising to the consumers. These strategies can e.g. be an event or an action which causes a commotion and thereby builds promotion, keenness and information for the customers and establishes a unique brand.

Buzz marketing's goal persons are frequently the opinion leaders with innermost hub

positions in their societal networks. Therefore, they can distribute the message in an impressive way. The chief strength of buzz marketing is its trustworthiness, since people never show confidence on advertising to the extent as they do on the statements of persons whom they know. The major limitation of buzz marketing is that it can contradict the product itself if it does not ultimately convince the customer. In addition, buzz marketing is suitable only for innovative products or services since it addresses the demand of novelty the product has for the consumer. Therefore, buzz marketing functions finest with products that are supposed to be exciting and inventive. Only few companies fruitfully manage to continually create buzz around their products.

1.5.3 Viral Marketing

The expression viral marketing was used for the first time in 1997. It describes a form of marketing which uses social networks (family, friends, neighbors 'and colleagues) to draw concentration towards brands, products or campaigns by scattering messages – mostly through word-of-mouth marketing – like a virus. Viral marketing is all about dispersion of messages about the product through deliberate and honest message by the consumer himself with the aspiration of acquiring new customers. Viral marketers extend their campaign like a virus, apparently uncontrolled, frequently over the Internet. The victory of viral marketing depends on whether the consumer has a personal advantage to promote the marketing message. If victorious,

Table 2: Forms of Entrepreneurial Marketing in the Domain of Promotion

Form	Main characteristics	Source
Guerrilla Marketing	Bootstrapping, creative/leveraging use of available resources and a highly targeted mix of innovative and effective communication techniques, networking, using energy and imagination; low cost.	Levinson (1984)
Buzz Marketing	Customer-generated information distribution by verbal means, especially recommendations, through personal networks by creating excitement, infatuation and enthusiasm, often connected to events.	Rosenbloom (2000)
Viral Marketing	Self-replicating promotion spreading and multiplying like a virus over community webs. Similar to buzz marketing, but more Internet oriented.	Jurvetson & Draper (1998); Godin & Gladwell (2001)

Source: Morris, et al (2002) p. 3

the message can be disseminated with low costs by the marketer to a huge number of recipients. Its chief advantages are extremely low costs, resultant from the use of new communication channels, mainly the Internet and E-mail. Viral marketing can therefore be understood as the distant (lacking face to face communication) and technology-backed description of buzz marketing.

1.5 Conclusion

In distinction to defining Entrepreneurial Marketing as the marketing of undersized and new ventures, we conceptualize Entrepreneurial Marketing as a demanding type of marketing that is inventive, risky, and practical, focuses on opportunities and can be taken up without resources presently controlled. In particular, the latter feature of the resources may make Entrepreneurial Marketing attractive to small and new ventures that face the liability of innovation and smallness. However, we consider that Entrepreneurial Marketing can be applied to all sizes of firms.

The advantage of our conceptualization is that it disintegrates Entrepreneurial Marketing from new venture marketing and novelty marketing (i.e. the marketing of innovations). This may add simplicity to the consideration of Entrepreneurial Marketing in the present literature. Moreover, it emphasizes on the fact that entrepreneurial visions of marketing in large firms might also be matter to research.

In order to tap the full potential of Entrepreneurial Marketing, it is essential to customize these substitute approaches to marketing for less classy marketers as well. For this, a typical set of Entrepreneurial Marketing actions could be defined. So far, the marketers can merely refer to more or less vast compilations of best-practice cases. To give a

set of standard strategies for dissimilar applications and contexts, we need to understand the mechanism behind Entrepreneurial Marketing activities in greater deepness.

This implies two responsibilities for potential research in this area: First, we have to interlace our research actions and current consequences with those of adjacent disciplines such as sociology and psychology to obtain a more holistic image and a improved understanding of the fundamental mechanisms and their interdependencies. Second, we need to pursue experimental research in Entrepreneurial Marketing to bring together a foundation for the evaluation of the thesis formulated in present literature. Further methods of experimental social science such as participative observational research or narrative interviews also emerge promising. A precondition for concentrated efforts in empirical research on Entrepreneurial Marketing is to reach a basis agreement on what we mean when we talk about Entrepreneurial Marketing. Entrepreneurial Marketing goes beyond traditional marketing, in this: marketing with an entrepreneurial strength is well-suited to attend to the liabilities of freshness and smallness, although most small/new ventures may not perform entrepreneurial marketing. On the other hand, entrepreneurial marketing can also be found in larger firms. In addition to our point of view, we provided a assortment of examples that support our ideas. We hope that the arguments offered in this text put in to an integrative understanding of Entrepreneurial Marketing, and lead to very important academic discussions.

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