



Nature and antecedents of a marketing approach according to Italian SME entrepreneurs

A structural equation modeling approach

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Abstract

Purpose – The purpose of this research is to explore the conception of marketing held by entrepreneurs of Small and Medium Enterprises (SMEs), in comparison with that proposed by researchers using different paradigms (i.e. the transactional, relationship, or inductual marketing). It then seeks to examine the determinants of the entrepreneurs' intention to adopt a marketing approach in their firms.

Design/methodology/approach – The research is articulated in a pilot and a main study, which were carried out on a stratified sample of more than 200 Italian entrepreneurs. It adopts exploratory research techniques to investigate the entrepreneurs' perceptions of the marketing concept and applies Ajzen's *Theory of Planned Behavior* to quantitatively assess the psychological antecedents of their intention to adopt a "marketing approach" (i.e. what they mean by that).

Findings – Results clearly show that the "concept of marketing" as perceived by Italian SME entrepreneurs differs from that proposed by academic researchers and subjective norm (as an indicator of corporate culture) is the main determinant of the entrepreneurs' intention to adopt a marketing approach.

Research limitations/implications – The research stresses that a wide gap exists between academic researchers' and entrepreneurs' conceptions of marketing. The existence of a proper organizational culture can foster the diffusion of a marketing approach among firms.

Originality/value – The research contributes to the literature on contemporary marketing theory and practice, by showing the existence of a need "to market the marketing approach" at least among Italian SME entrepreneurs.

Keywords Organizational culture, Small to medium-sized enterprises, Marketing planning

Paper type Research paper

Introduction

Small and Medium Enterprises (SMEs) are among the main constituents of Western economies and represent the most widespread type of business organization in Europe and, particularly, in Italy. SMEs traditionally base their competitiveness on several factors such as: their tendency to concentrate in particular geographical regions, giving rise to peculiar Marshallian industrial districts; and their high degree of specialization

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and flexibility resulting from their informal organization. Yet in the last few years these traditional factors of success (i.e. agglomeration, specialization, and flexibility) have lost their strategic relevance in favor of other key factors (e.g. innovation and marketing orientation), due to some emerging drivers of market change (such as the markets' internationalization, the increasingly global competition, and the diffusion of Information and Communication Technology). These drivers of market change have given rise to a proliferation of products and services in the marketplace at decreasing cost levels and cost-cutting strategies have therefore become less effective. In such a context, Italian SMEs have been challenged to focus on the intangible attributes of their offers and to integrate goods (i.e. the tangible aspects of offers) with services (i.e. the intangible aspects of offers), in order to provide psychological benefits and consumption experiences to customers and eventually achieve a competitive advantage of differentiation. To this end, a marketing orientation, which refers to the adoption of a marketing approach to doing business (a.k.a. "marketing concept"), becomes crucial for enabling local firms to reach better performances and a sustainable competitive advantage in the long run. This reasoning has been confirmed in a recent study by Simpson *et al.* (2006), who have suggested that marketing-led SMEs perform better than others. Yet the same study has shown that this is not a common rule and in many firms marketing plays only a minor role. Other studies (e.g. Hill, 2001a, b; Verhees and Meulenbergh, 2004) has shown that, compared to large firms, SMEs tend to be more reluctant to adopt a marketing approach because of a lack of resources and skills. SMEs usually lack marketing specialists and their owner-managers (or entrepreneurs) are therefore the main decision maker. For this reason, the choice to adopt (or not) a marketing approach relies on what they think marketing is and their expectancies about the consequences of the adoption of such an approach in their organizations. Its adoption is therefore evaluated subjectively, according to the entrepreneurs' perceptions, contexts, and mental schemata about marketing (see Guido, 2001). This reasoning is consistent with recent research in the field (e.g. Becherer *et al.*, 2003; Phua and Jones, 2010), which has stressed the importance of the inherent characteristics of individual entrepreneurs in choosing to adopt a marketing approach in their firms. For instance, adaptive entrepreneurs – who are more conservative and less innovative than others – are likely to reject the adoption of the marketing approach in their organizations, as it would represent an innovation in itself and, as such, might be perceived as too risky (see Marcati *et al.*, 2008). On the other hand, entrepreneurs who choose to adopt a marketing approach are likely to implement something that is substantially different from marketing as implemented in large organizations.

This discrepancy in adoption patterns may be due to the peculiar characteristics of small firms, such as organizational flexibility, specialization, but also to a lack of resources, marketing knowledge and skills. Studies conducted within the area of entrepreneurship/marketing interface (e.g. Hills and LaForge, 1992) suggest that, whilst marketing decision making processes in large companies tend to be formal and highly structured, in small firms such processes tend to be simplistic, informal, and thus profoundly different from the theoretical paradigms developed in the managerial literature. Researchers in this area (e.g. Hill and Wright, 2000; Morris *et al.*, 2002) have referred to this "haphazard" marketing approach often adopted in SMEs as entrepreneurial marketing, thereby stressing its intuitive and situation-specific nature, as well as its implementation without a pre-planning activity. Yet very little efforts

have been spent in this research stream to investigate the entrepreneurs' perceptions of marketing, as well as to develop and apply explanatory models of their intentions toward the adoption of a marketing approach. The present article contributes to filling this gap by providing insights on how such an adoption behavior can be fostered in Italian SMEs. It therefore aims to understand: whether the entrepreneurs' perceptions of marketing differ from conceptions developed by researchers, and which are the psychological factors capable of influencing their intention to adopt a marketing approach. At this purpose, the article preliminarily sheds light on the potential discrepancy between the conception of marketing possessed by Italian entrepreneurs and that held by academic researchers. It then investigates the psychological determinants of the entrepreneurs' intention to adopt a marketing approach using the *Theory of Planned Behavior* (TPB) (Ajzen, 1991). The next section will illustrate the main marketing approaches proposed in literature over the last few decades. The third section will describe the research objective and the methodology followed for its achievement. The fourth section will report results from statistical analyses. Finally, the fifth section will discuss both theoretical and managerial implications.

The evolution of the marketing concept in the academic literature

In order to investigate what SME entrepreneurs really think a marketing approach is, it is useful to point out what a marketing approach is for academic researchers. Formal marketing definitions have evolved during the last few decades and such an evolution has also influenced AMA's orientation about the marketing concept. After decades, AMA has re-formulated its official definition by stating that "Marketing is the activity, set of institutions, and processes for creating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (AMA, approved October 2007).

The marketing concept has evolved in theoretical literature through three main different frameworks – transactional, relationship, and inductive – which can be traced in the academic research in a paradigmatic way. Although they still co-exist in practice and can be used by organizations in a complementary fashion, in relation to specific contingent factors (e.g. the strategic relevance of the customer) (e.g. Coviello *et al.*, 2002; Fruchter and Sigué, 2005), these three approaches are based on different assumptions and principles and each of them puts marketing at a different organizational level (i.e. a function, a strategic, or a firm overall orientation level, respectively).

The transactional marketing approach

From a chronological point of view, transactional marketing is the first approach developed in literature. Its name, "transactional", derives from its theoretical focus on the exchange concept and its implementation formally occurs through the so-called marketing mix paradigm as developed by McCarthy (1960). This paradigm refers to the mixture of those elements (the 4Ps: Product, Price, Promotion, and Place) useful in pursuing a certain market response.

In the last decades, the marketing mix paradigm has undergone criticisms which principally stress among its weaknesses:

- its theoretical flaws (Grönroos, 1994);
- its departure from the exchange concept (Yudelson, 1999);

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- the lack of a mutual exclusivity among the four categories (i.e. the 4Ps) driving its implementation (Van Waterschoot and Van den Bulte, 1992);
 - its obsolescence, due to a production-oriented definition of marketing (Gummesson, 1998);
 - its restricted theoretical domain, because of its focus only on the 4Ps that neglects many other marketing activities (Hyman, 2004);
 - its functional, rather than strategic, role (Grönroos, 2002); and
 - its focus only on the purchase phase of consumption process (Dobscha and Foxman, 1998).

Because of these theoretical limitations, a new approach was proposed during the 1980s, the so-called relationship marketing approach, even though the marketing mix paradigm still resists in practice and education as a pedagogical simplification.

The relationship marketing approach

In the light of previous criticisms against transactional marketing – stressing its short-term orientation, its functional perspective, and its focus on the producer/seller, rather than on final consumers and other parts – researchers proposed a new marketing approach during the eighties. This approach was initially developed by the so-called Swedish School in the field of industrial and service marketing, even though it was later adopted also in consumer marketing. Grönroos (1994) named this approach as relationship marketing, because of its focus on the concept of relationship between the organization and its external counterparts (e.g. customers in a strict sense, but also suppliers, distributors, and competitors) as well as internal ones (e.g. managers and employees). According to this approach, marketing should be repositioned at a strategic level, rather than at a functional one, and all organization's members and counterparts should be considered as customers (in a broader sense) and, therefore, involved in the relational marketing activities of the firm.

Gummesson (1994) proposed thirty key relationships – the so-called 30Rs model – through which the relationship marketing approach could be effectively implemented and its goals achieved. Despite these research efforts, the implementation of this approach, according to which marketing strategies should pervade all organization functions, continues to show some weaknesses. Its application implies that all members of an organization should individually adopt a relationship marketing approach toward their external and/or internal counterparts. This principle implies that, besides the so-called full-time marketers who are employed and trained to perform marketing activities, all the remaining members of the organization are considered as part-time marketers (e.g. Gummesson, 1998), insofar as they are committed to improving firm's relationships with its counterparts, besides performing their own tasks. This “dual task” of all organization members is hard to realize in many firms for a number of reasons. First, it would require a great amount of resources in terms of time and money (Blois, 1996). Second, the persisting hierarchical organizational structures in many countries (above all in Latin ones) imply that employees at each level tend to be reluctant to collaborate with their employers beyond their duties. Third, if employees are unionized, their collaboration in building, maintenance, and improvement of firm's relationships may be hindered by union demands. Similarly, if

employees are transient, investments for their training and development might be considered expensive and unnecessary (Coviello and Brodie, 1998). For these reasons, in practice the relationship marketing approach has never replaced the transactional one completely. Firms have sometimes used it selectively, in relation to contextual factors such as the strategic relevance of individual firm's stakeholders.

The inductive marketing approach

During the last decade, markets have been becoming more and more structurally turbulent and network-centered for several reasons pertaining to a number of phenomena, which can be considered as drivers of market change. These drivers include (see Möller and Halinen, 1999): the globalization of competition; internet and the diffusion of other electronic interfaces and platforms; the increasingly interdependence and connectedness of markets; and the technological complexity and change. Rethinking the marketing concept has therefore emerged as a necessity, in order to face market challenges coming from the new competitive scenario.

Researchers have recently proposed a number of new marketing models based on the so-called postmodernist philosophy (see O'Shaughnessy and O'Shaughnessy, 2002, for a review). Although different in names and implementation tools, these models stem from common stylized facts and are based on the same assumptions (Brown, 1995), such as: the increasing consumption of symbols rather than products; the fragmentation of consumers' needs; and the necessity to customize firms' offers for delivering new consumption experiences. All these models seem to share the inductive nature of such processes (Guido, 2005), so that marketing is used to induce final consumers and all other firm's counterparts (such as suppliers, distributors, and competitors) to collaborate profitably with the firm in value creation (Firat and Dholakia, 2006). This approach seems to suggest that marketers should influence both the expectancies (i.e. expectations and desires) and perceptions held by final consumers and other firm counterparts, in order to persuade these subjects to collaborate with the firm in achieving its management goals. In such a context, each counterpart can contribute to the firm's success in different ways. For example, competitors may collaborate with the firm by working in partnership with it within horizontal networks; suppliers and distributors may collaborate with the firm in improving supply-chain processes within vertical networks; while consumers may contribute to determining the firm's success by purchasing its offers (see Zyman, 2000).

This inductive marketing approach (Guido, 2005) may be operationalized through an integrated and competitive marketing model, according to which each subject (e.g. the final consumer and any other firm counterpart) should be persuaded to collaborate with the organization, being actively involved in its management processes. To this end, the marketing concept needs to be repositioned neither at a functional level (as in the transactional marketing approach), nor at a strategic one (as in the relationship marketing approach), but at a global level regarding the whole orientation of the firm.

Research aim and objectives

To encourage the diffusion of the marketing knowledge and the adoption of a marketing approach in Italian SMEs, it is important to investigate whether and to what extent the marketing concept possessed by local entrepreneurs differs from that proposed by academic researchers. On the other hand, understanding whether and how certain

psychological factors influence the entrepreneurs' intention to adopt a marketing approach is likewise important. In reply to these research questions, the present research preliminarily investigates the marketing concept shared by Italian entrepreneurs, in comparison to that developed in literature and operationalized by the three above-described paradigms (the transactional, relationship, and inductional marketing). It then analyzes the cognitive antecedents of the entrepreneurs' intention to adopt such a marketing approach using the Theory of Planned Behavior (hereafter TPB) (Ajzen, 1991).

The TPB (Ajzen, 1991) is a well-known model developed in the field of social psychology to predict human behaviors. Recent studies (e.g. Elliott and Jobber, 1995; Engle *et al.*, 2010) have shown that this theory is also appropriate to investigate behaviors in organizational contexts. Ajzen's (1991) model assumes the intention to engage in a specific behavior (i.e. the intention to adopt a marketing approach) as the best predictor of the actual behavior and posits that this behavioral intention results from three main determinants. These antecedent variables are: attitude, which is referred to the subjective predisposition toward that behavior; subjective norm, which is the perception of social pressures, put on the perceiver by the so-called relevant others (i.e. persons or groups of persons who are important to the perceiver), to perform (or not) such an action; and perceived behavioral control, which is referred to one's perception of how easy (or difficult) it is to perform the behavior. These determinants in turn arise from salient beliefs, that is, all the associations between an object, or behavior, and its perceived attributes that are readily accessible in mind (for a criticism of this definition of salience, see Guido, 2001). In line with the so-called "expectancy-value" models (see Eagly and Chaiken, 1993, for a review), the TPB postulates that these beliefs can be obtained multiplying the subjective probability of the occurrence of some consequences related to the behavior (the expectancy) by the corresponding evaluation (the value) of such a behavior. According to this multiplicative procedure, behavioral beliefs, which are at the basis of attitude, are measured by multiplying the subjective probability that the target behavior will assure specific advantages (or disadvantages) by the relative importance assigned by the perceiver to these consequences. Normative beliefs, which are at the basis of subjective norm, are determined by multiplying the subjective probability that the target behavior will be approved (or disapproved) by relevant others by the corresponding subjective motivation to comply with them. Likewise, control beliefs, which are at the basis of perceived behavioral control, are measured by multiplying the subjective probability of certain events that could facilitate (or hinder) the behavior by the corresponding evaluations of the importance of such events in influencing the behavioral intention.

Methodology

The research procedure for implementing the TPB consisted of two phases: a pilot study, aimed to delineate at an exploratory level the entrepreneurs' conception of marketing and to collect their salient beliefs regarding Ajzen's (1991) determinants of intention; and the main study, aimed to achieve the research objective.

Pilot study

The pilot study was carried out to explore the entrepreneurs' conception of marketing, in order to identify the items to be used in the main questionnaire and to elicit the

salient beliefs (i.e. behavioral, normative, and control beliefs) at the basis of Ajzen's (1991) determinants of intention (i.e. attitude, subjective norm, and perceived behavioral control, respectively), according to Fishbein and Ajzen's (1975) procedure. A sample of 50 Italian entrepreneurs, located in the Province of Lecce (Southern Italy) was used. Their firms were homogeneously stratified according to their industrial sectors (Construction, Engineering, Food, Textile-Clothing-Footwear, and Wholesale trade), number of employees (1-20, 21-50, 51-120 employees), and level of sales (0-250 thousand Euro, 250-500 thousand Euro, 500 thousand to 2.5 million Euro, 2.5-5 million Euro, 5-7.5 million Euro, and finally more than 7.5 million Euro). The sample was subsequently reduced to 41 firms, due to the lack of cooperation of nine subjects. All respondents played a crucial, entrepreneurial role in their organizations, by serving as managing director (51.2 percent), marketing director (24.4 percent), (co-)owner-manager (19.5 percent), or production director (4.9 percent) of the firm.

A preliminary questionnaire was administered, by personal interviews, in an open-ended format, to these 41 participants at their firm locations. It consisted of two parts. The first one contained six questions on the perception of marketing which asked participants to indicate:

- (1) the subjective meaning attributed to the marketing concept;
- (2) the function performed by marketing in their organizations;
- (3) the relative importance of marketing for their organizations;
- (4) whether a marketing approach has ever been adopted;
- (5) (if adopted) the time elapsed since its adoption; and
- (6) the motives of its adoption.

The second part of the questionnaire contained three questions concerning subjective beliefs associated with the adoption of a marketing approach. These questions asked participants to indicate:

- (1) expected advantages (or disadvantages) of the adoption of a marketing approach (behavioral beliefs);
- (2) subjects, or groups of subjects, who would approve (or disapprove) the adoption of a marketing approach in the organization (normative beliefs); and
- (3) events that could facilitate (or hinder) such an adoption behavior (control beliefs).

Results from a content analysis carried out on participants' answers to the first six questions showed that most entrepreneurs perceive marketing as a mere functional tool and, more rarely, as predominant over other firm functions (such as Production). More specifically, respondents indicated that marketing consists in a tool, or a tactic to improve consumers' knowledge of the firm and its products (27.3 percent of cases), to search for new markets (22.7 percent), to develop sales and firm size (20.5 percent), to meet consumers' needs (15.9 percent). Substantial portions of entrepreneurs assigned no function, or a marginal role, to marketing (31.9 percent and 43.9 percent, respectively). Among motives underlying the adoption of a marketing approach, many entrepreneurs indicated the possibility of favoring the firm's development (34 percent) and that of enhancing consumers' knowledge of their firm and its products in the

marketplace (17 percent). A similar content analysis was carried out on data collected through the second part of the pilot questionnaire, in order to find out salient beliefs (i.e. behavioral, normative, and control beliefs) to be considered in the main questionnaire regarding Ajzen's (1991) determinants of the entrepreneurs' intention to adopt a marketing approach (i.e. attitude, subjective norm, and perceived behavioral control, respectively). These beliefs were used as indicators of variables observed in the main study.

Main study

The main study was carried out to further explore the entrepreneurs' conception of marketing, compared to that proposed in literature, and to quantitatively assess the psychological determinants of their intention to adopt a marketing approach (i.e. what they mean by that). A broad sample of 225 Italian SME entrepreneurs, located in the Provinces of Rome and Lecce (Southern Italy) was used. Their firms were homogeneously stratified according to five different industrial sectors (Construction, Engineering, Food, Textile-Clothing-Footwear, and Wholesale trade), number of employees (1-20, 21-50, and more than 50 employees), and level of sales (0-250 thousand Euro, 250-500 thousand Euro, 500 thousand to 2.5 million Euro, 2.5-5 million Euro, 5-7.5 million Euro, and finally more than 7.5 million Euro). Also here, the main sample was reduced to 188 firms, due to the lack of cooperation of 37 subjects (see Table I, for descriptive statistics of the main sample). Respondents were primarily (co-)owner-managers (54.8 percent), with smaller proportions of managing directors (20.2 percent), marketing directors (16 percent), and production directors (9 percent).

The main questionnaire was developed in a close-ended format on the basis of preliminary findings from the pilot study and administered, by personal interviews, to the 188 entrepreneurial respondents at their firm locations. It consisted of three parts. The first one contained six questions on the perception of the marketing concept. These questions were asked of participants to further investigate the same aspects as preliminarily explored in the pilot study:

- (1) the subjective meanings attributed by entrepreneurs to the marketing concept;
- (2) the main function performed by marketing in their organizations;
- (3) the importance of marketing for their organizations, in relation to other functions;
- (4) whether a marketing approach has ever been adopted;

Industrial sector	%	Number of employees	%	Sales (× 1,000 Euro)	%
Constructions	21.3	1-20 employees	38.8	< 250	9.0
Engineering	20.2	21-50 employees	32.4	250-500	10.6
Food	21.3	> 50 employees	28.8	500-2,500	18.1
TCF	18.1			2,500-5,000	12.2
Wholesale trade	19.1			5,000-7,500	6.0
				> 7,500	21.8
				No answer	22.3
Total	100	Total	100	Total	100

Notes: TCF = Textile-Clothing-Footwear; $n = 188$

Table I.
Descriptive statistics of
the main sample

- (5) (if adopted) the time elapsed since its adoption; and
- (6) the motives of its adoption.

The second part of the questionnaire contained a set of 52 questions, on seven-point rating scales, which were used to gauge the entrepreneurs' behavioral intention and its determinants, according to the TPB (Ajzen, 1991). By following an "expectancy-value" multiplicative approach (see Eagly and Chaiken, 1993), twenty items were used to measure the entrepreneurs' attitude toward the adoption of a marketing approach: ten of which concerned the subjective probability that this adoption behavior can provide the advantages (or disadvantages) most frequently mentioned in the pilot study; whereas the remaining ten items concerned the subjective evaluation of each of these advantages (or disadvantages). Ten items were used to evaluate subjective norm: five of which concerned the subjective probability of the approval (or disapproval) of the adoption of a marketing approach by the entrepreneurs' relevant others most frequently mentioned in the pilot study; whereas the remaining five items concerned the relative evaluation of their motivation to comply with those referents. Twenty items were used to measure perceived behavioral control: ten of which concerned the subjective probability of the occurrence of the events that, according to the pilot study, could mostly facilitate (or hinder) the entrepreneurs' adoption of a marketing approach; whereas the remaining ten items concerned the subjective evaluation of the importance of such events in influencing the examined adoption behavior. Finally, two items were used to assess the entrepreneurs' intention to adopt a marketing approach, one of which concerned the strength of the behavioral intention (i.e. intention-as-volition), while the other one regarded the subjective probability of engaging in this adoption behavior in the next three years (i.e. intention-as-expectation). The third part of the questionnaire contained questions to collect socio-demographic data (i.e. industrial sector, number of employees and level of sales).

Results

Entrepreneurs' perception of marketing

A frequency analysis was carried out on entrepreneurs' answers provided to the first six questions of the questionnaire, in order to investigate the marketing concept held by Italian entrepreneurs, in comparison to that developed in the academic literature by means of different paradigms (i.e. the transactional, relationship, and inductual marketing approaches). Several statistical tests of proportions were performed to check for significant differences in response patterns emerging from percentage counts.

In line with preliminary findings from the pilot study, results of the main questionnaire showed that more than 75 percent of SME entrepreneurs hold a marketing concept that is different from and narrower than that developed in literature. Most entrepreneurs considered marketing as a mere tactic to develop sales and firm size (44.7 percent of cases), against smaller percentages of entrepreneurs deeming marketing to be a tool for improving consumers' knowledge of the firm and its products in the marketplace (18.6 percent), satisfying niche customers (12.8 percent), or searching for new markets (8.5 percent). Only 15.4 percent of respondents defined marketing as "a function involving all firm processes and resources", thereby showing to hold a broader view of the investigated construct ($\chi^2 = 76.73, p < 0.001$). As for functions performed by marketing in small firms, a significant majority of SME entrepreneurs declared that the main function of

marketing in their organizations is that of increasing sales (26.6 percent of cases), against the ones of satisfying customers (16.5 percent), communicating (15.4 percent), developing brand equity (13.8 percent) or new products (9.6 percent), analyzing new markets (9 percent), and facing competition (3.7 percent) ($\chi^2 = 56.25, p < 0.001$). Large proportions of entrepreneurs were found to consider marketing as important as other functional areas (35.6 percent), or even instrumental to production (31.9 percent); while smaller percentages of respondents provided more extreme answers ascribing to marketing either a marginal importance (11.9 percent) or a crucial role (20.7 percent) ($\chi^2 = 18.87, p < 0.001$). The vast majority of entrepreneurs (i.e. 71.8 percent; $\chi^2 = 35.77, p < 0.001$) declared that they had already adopted a marketing approach (i.e. what they consider as a “marketing approach”) in their organizations. Most of them (34.8 percent) declared they had adopted it recently (for two years or less); while the remaining entrepreneurs stated that their adoption of a marketing approach dated back to three to five years (23 percent), six to nine years (15.6 percent), or more than nine years ago (26.6 percent) ($\chi^2 = 23.93, p < 0.001$). As regards motives behind the adoption of a marketing approach, a significant majority of entrepreneurs (39.3 percent) indicated the possibility of improving consumers’ knowledge of the firm and its products, against 36.3 percent of them indicating the possibility of favoring the firm’s development, 20.7 percent indicating that of improving competitiveness, and a residual percentage of 3.7 percent suggesting a broad motive regarding firm success in general ($\chi^2 = 43.34, p < 0.001$).

In order to discover potential differences in the entrepreneurs’ conceptions of marketing across different industrial sectors, classes of employees, and levels of sales, the same analyses were carried out on disaggregated data. Results revealed no substantial difference, with one exception regarding the function of marketing. An independence test revealed a statistical association between the entrepreneurs’ perception of the main function of marketing and firm’s size (i.e. the number of employees) ($\chi^2 = 25.49, p < 0.05$). More specifically, this finding means that as the number of employees increases, entrepreneurs’ perceptions of marketing tend to shift their focus from selling (i.e. “the main function of marketing is that of increasing sales”) to branding (i.e. “the main function of marketing is developing brand equity) and customer satisfaction (i.e. “the main function of marketing is satisfying customers”), thereby showing a conception of marketing more similar to that proposed by academic researchers.

Cognitive determinants of the intention to adopt a marketing approach

Ajzen’s (1991) TPB was applied to identify the cognitive determinants of the entrepreneurs’ intention to adopt a marketing approach in their organizations. Ajzen’s (1991) model was therefore implemented using a structural equation modeling approach (see Bollen, 1989).

An exploratory factor analysis was preliminarily conducted on composite measures of the relevant constructs involved in the model, in order to check for their reliability. An item purification procedure was performed following stringent criteria (factor loadings > 0.60 and item-to-total correlations > 0.45), in order to obtain highly reliable measures of the relevant constructs for the subsequent structural equation modeling analysis. Based on these rules, four of the ten multiplicative items were retained for attitude, as they were found to load on a single factor (factor loadings > 0.70) with a good level of internal consistency (item-to-total correlations > 0.55). The remaining six

items were removed because they did not meet the two item-selection conditions required. The same procedure was followed for subjective norm. Three of the five multiplicative items were retained, because they were found to meet the above-described criteria (factor loadings >0.75; item-to-total correlations >0.60). Likewise, three of the ten multiplicative items used to assess perceived behavioral control were retained, as they loaded on a single factor (factor loadings >0.65) with an acceptable level of internal consistency (item-to-total correlations >0.45). A further exploratory factor analysis was carried out on each of these purified scales. The analysis yielded a single-factor solution for each set of items and showed these scales to be reliable measures of the examined constructs (Attitude: factor loadings >0.60, item-to-total correlations > .55, Cronbach's $\alpha = 0.86$; Subjective Norm: factor loadings >0.70, item-to-total correlations ≥ 0.65 , Cronbach's $\alpha = 0.82$; Perceived Behavioral Control: factor loadings >0.60, item-to-total correlations ≥ 0.55 , Cronbach's $\alpha = 0.77$). The two items adopted to assess the dependent variable, regarding the entrepreneurs' intention to adopt a marketing approach, were also found to be a reliable measure of the construct ($r = 0.76, p < 0.001$; Cronbach's $\alpha = 0.86$).

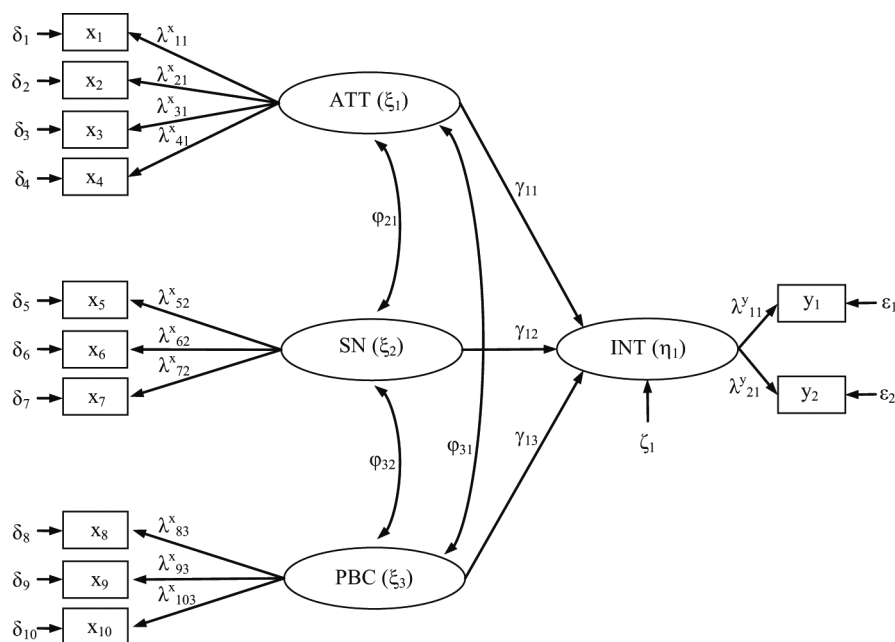
Based on these preliminary findings, a structural equation model was built to test the TPB (Ajzen, 1991), by following a standard notation in this field (see Bollen, 1989). All retained items were used as observed variables in the full statistical model. Table II provides a detailed description of these variables, while their correlations are reported in the Appendix (Table AI). On the other hand, attitude, subjective norm, perceived behavioral control, and intention were treated as latent variables of the structural model (Figure 1).

The results obtained from a maximum likelihood estimation and summarized in Table III provide fit statistics that show the TPB model to fit the data very well:

Variable: indicator's label	Type of item	Type of measurement *	M	SD
x ₁ : Development of new markets	BB	Multiplicative	25.73	14.01
x ₂ : Improvements in firm's production and sales	BB	Multiplicative	30.31	12.86
x ₃ : Promotion of both firm's and products' images	BB	Multiplicative	31.99	13.34
x ₄ : Better understanding of existing markets	BB	Multiplicative	28.07	14.31
x ₅ : Pressures from top management	NB	Multiplicative	32.46	15.01
x ₆ : Pressures from employees	NB	Multiplicative	26.14	14.61
x ₇ : Pressures from customers	NB	Multiplicative	31.35	15.47
x ₈ : Necessary changes in firm's strategies	CB	Multiplicative	22.62	11.34
x ₉ : Development of a marketing knowledge within the firm	CB	Multiplicative	24.74	13.71
x ₁₀ : An increase in disposable financial resources	CB	Multiplicative	25.83	12.76
y ₁ : Strength of the intention to adopt the marketing approach	IV	Direct	5.18	1.66
y ₂ : Likelihood to adopt the marketing approach	IE	Direct	4.74	1.72

Notes: $n = 188$; BB = Behavioral Belief; NB = Normative Belief; CB = Control Belief; IV = Intention-as-Volition item; IE = Intention-as-Expectation item; *Multiplicative measurements are based on the adoption of an expectancy-value approach, according to which an observed variable is assessed by multiplying the perceived probability associated with a specific belief by its value or importance. Direct measurements are obtained from mono-item scales

Table II.
Description of observed variables



Notes: ATT = Attitude; SN = Subjective Norm; PBC = Perceived Behavioral Control; INT = Intention to perform the behavior (i.e. the intention to adopt a marketing approach)

Figure 1. A structural equation model with latent variables based on the Theory of Planned Behavior

$\chi^2(48) = 52.710$, $p = 0.297$; $\chi^2/\text{d.f.} = 1.098$; Goodness of Fit Index (GFI) = 0.956; Adjusted Goodness of Fit Index (AGFI) = 0.929; Comparative Fit Index (CFI) = 0.996; Normed Fit Index (NFI) = 0.957; Root Mean Square Error of Approximation (RMSEA) = 0.023. These results show that Construct Reliability coefficients were higher than .70; Average Variance Extracted (AVE) indices were higher than 0.50; while all factor loadings (λ coefficients) were higher than 0.60 and significant at a 0.01 level. Taken together, these findings suggest a robust convergent validity of the measurement model (Fornell and Larcker, 1981). Although all observed variables were found to be good indicators of the hypothesized constructs, some of them seemed to be relatively more able to capture aspects of the underlying, latent construct. More specifically, attitude was shown to be stronger related to observed variables regarding specific advantages perceived from the potential adoption of a marketing approach, such as the possibility that such an adoption behavior could favor the “improvement in firm’s production and sales” ($\lambda^x_{21} = 0.89$, $R^2 = 0.78$) and the “promotion of both firm’s and products’ images” ($\lambda^x_{31} = 0.83$, $R^2 = 0.68$). The remaining two advantages, pertaining to the “development of new markets” ($\lambda^x_{11} = 0.77$, $R^2 = 0.59$) and a “better understanding of existing markets” ($\lambda^x_{41} = 0.64$, $R^2 = 0.41$), respectively, were found to play a relatively minor role in attitude formation. Subjective norm was found to be stronger related to the observed variable pertaining to the perceived pressure from the “top management” ($\lambda^x_{52} = 0.83$, $R^2 = 0.69$), compared to the other normative beliefs regarding influences from “customers” ($\lambda^x_{72} = 0.75$, $R^2 = 0.56$) and “employees” ($\lambda^x_{62} = 0.72$, $R^2 = 0.52$).

Parameter: path	R ²	Standardized estimate	Construct reliability	AVE
<i>Pure measurement model</i>				
Attitude (ATT)			0.87	0.62
$\lambda_{11}^x: x_1 \leftarrow \text{ATT} (\xi_1)$	0.59	0.77**		
$\lambda_{21}^x: x_2 \leftarrow \text{ATT} (\xi_1)$	0.78	0.89**		
$\lambda_{31}^x: x_3 \leftarrow \text{ATT} (\xi_1)$	0.68	0.83**		
$\lambda_{41}^x: x_4 \leftarrow \text{ATT} (\xi_1)$.41	0.64 n.a.		
Subjective Norm (SN)			0.81	0.59
$\lambda_{52}^x: x_5 \leftarrow \text{SN} (\xi_2)$	0.69	0.83**		
$\lambda_{62}^x: x_6 \leftarrow \text{SN} (\xi_2)$	0.52	0.72**		
$\lambda_{72}^x: x_7 \leftarrow \text{SN} (\xi_2)$	0.56	0.75 n.a.		
Perceived Behavioral Control (PBC)			0.78	0.55
$\lambda_{83}^x: x_8 \leftarrow \text{PBC} (\xi_3)$	0.41	0.64**		
$\lambda_{93}^x: x_9 \leftarrow \text{PBC} (\xi_3)$	0.80	0.90**		
$\lambda_{103}^x: x_{10} \leftarrow \text{PBC} (\xi_3)$	0.43	0.65 n.a.		
Intention (INT)			0.86	0.76
$\lambda_{11}^y: y_1 \leftarrow \text{INT} (\eta_1)$	0.84	0.92 n.a.		
$\lambda_{21}^y: y_2 \leftarrow \text{INT} (\eta_1)$	0.69	0.83**		
<i>Pure structural model</i>				
$\gamma_{11}: \text{INT} (\eta_1) \leftarrow \text{ATT} (\xi_1)$	0.70	0.11		
$\gamma_{12}: \text{INT} (\eta_1) \leftarrow \text{SN} (\xi_2)$		0.63**		
$\gamma_{13}: \text{INT} (\eta_1) \leftarrow \text{PBC} (\xi_3)$		0.18*		
$\varphi_{21}: \text{SN} (\xi_2) \leftrightarrow \text{ATT} (\xi_1)$		0.75**		
$\varphi_{31}: \text{PBC} (\xi_3) \leftrightarrow \text{ATT} (\xi_1)$		0.63**		
$\varphi_{32}: \text{PBC} (\xi_3) \leftrightarrow \text{SN} (\xi_2)$		0.53**		

Notes: $n = 188$; * $p < 0.05$; ** $p < 0.01$; n.a. = not applicable (fixed parameter); $\chi^2(48) = 52.710$, $p = 0.297$; $\chi^2/\text{d.f.} = 1.098$; GFI = 0.956; AGFI = 0.929; CFI = 0.996; NFI = 0.957; RMSEA = 0.023. Construct Reliability and Average Variance Extracted (AVE) were computed following Fornell and Larcker's (1981) formulation, according to which:

$$\begin{aligned} \text{Construct Reliability} &= \left[\left(\sum \lambda_i^x \right)^2 \right] / \left[\left(\sum \lambda_i^x \right)^2 + \sum \delta_i \right]; \text{ AVE} \\ &= \left[\left(\sum \lambda_i^x \right)^2 \right] / \left[\left(\sum \lambda_i^x \right)^2 + \sum \delta_i \right] \end{aligned}$$

Table III.
Full structural model
estimation

Similarly, perceived behavioral control was found to be stronger related to the observed variable dealing with the “development of a marketing knowledge within the firm” ($\lambda_{93}^x = 0.90$, $R^2 = 0.80$), compared to the other control beliefs regarding “an increase in disposable financial resources” ($\lambda_{103}^x = 0.65$, $R^2 = 0.43$) and “necessary changes in firm’s strategies” ($\lambda_{83}^x = 0.64$, $R^2 = 0.41$). Intention was found to be almost equally associated with the two indicators related, respectively, to intention strength ($\lambda_{11}^y = 0.92$, $R^2 = 0.84$) and the subjective probability of engaging in the investigated behavior ($\lambda_{21}^y = 0.83$, $R^2 = 0.69$).

Results also showed an adequate discriminant validity of the measurement model. As recommended by Fornell and Larcker (1981), the existence of this property was ensured using the AVE index for each construct. Consistent with the procedure suggested by the two authors, Table IV shows that the average variance extracted for

each construct was greater than the squared correlations between the construct and all other constructs in the model.

Results of the pure structural model in Table III show that Ajzen's (1991) theoretical determinants were able to explain a great portion of the SME entrepreneurs' intention to adopt a marketing approach ($R^2 = 0.70$). In particular, subjective norm was found to be the main determinant of this behavioral intention ($\gamma_{12} = 0.63$, $p < 0.01$), perceived behavioral control was shown to be weakly able to affect such an intention ($\gamma_{13} = 0.18$, $p < 0.05$), while attitude was found to exert no significant impact on this dependent variable ($p > 0.05$).

General discussion

The present research investigated Italian SME entrepreneurs' perceptions of marketing, comparatively to the conceptions developed in the academic literature and proposed by the three illustrated paradigms (i.e. the transactional, relationship, and inductational marketing). It also examined the psychological factors that influence the entrepreneurs' intention to adopt a marketing approach in their firms. This objective was addressed using Ajzen's (1991) TPB, as it has been shown to be appropriate to explain and predict behaviors in organizational contexts (e.g. Engle *et al.*, 2010). Results from a two-phase survey carried out on a broad sample of Italian entrepreneurs enabled us to achieve the research objective.

Exploratory findings on the entrepreneurs' perceptions of marketing in relation to the conception proposed by academic researchers showed that, despite the vast majority of Italian entrepreneurs adopt some form of marketing, their prevailing conception is primitive and too limited with respect to the paradigms proposed by researchers (i.e. the transactional, relationship, and inductational marketing). Although none of the three marketing paradigms developed in literature can be considered superior to the others in absolute terms, as their appropriateness varies across contexts (e.g. Fruchter and Sigué, 2005), Italian entrepreneurs have a poor understanding of the marketing concept with respect to each of such paradigms. They tend to consider it as a synonym of either selling ("Marketing as a tactic to develop sales") or advertising ("Marketing as a tool for improving consumers' knowledge of the firm and its products"), thus overemphasizing short-term goals (i.e. sales increases) instead of long-term profitability. These findings revealed that Italian entrepreneurs have a "myopic" view of marketing planning (Levitt, 1960), insofar as they neglect any role of marketing as a strategic tool, as postulated in the relationship marketing paradigm, or as a strategic orientation, as postulated in the inductational marketing paradigm. There

Construct	1	2	3	4
1. Attitude	<i>0.62</i>			
2. Subjective norm	0.56	<i>0.59</i>		
3. Perceived behavioral control	0.39	0.28	<i>0.55</i>	
4. Intention	0.01	0.40	0.03	<i>0.76</i>

Notes: $n = 188$; Values in italics along the main diagonal are the AVE indices for single constructs. Values below the main diagonal are interconstruct squared correlations. For each construct, the existence of an AVE index greater than the squared correlations with other constructs suggests an acceptable discriminant validity

Table IV.
Discriminant validity matrix

is reason to believe that such a “myopia” among individual entrepreneurs could be generalized to all SMEs, as recent studies carried out on samples of firms located in different countries (e.g. Murdoch *et al.*, 2001; Simpson *et al.*, 2006) have obtained similar findings. Yet further research on this issue is necessary, in order to confirm the existence of a similar pattern of results across countries, regions, and cultural contexts.

Analyses conducted at a disaggregate level revealed that, as the average size of firms increases (in terms of number of employees), their individual entrepreneurs show a stronger orientation to marketing and develop a more sophisticated conception of it, which is more similar to that proposed by academic researchers. A possible explanation of this finding is that, as firm size increases, the traditional barriers to the development of a marketing orientation (such as an incomplete understanding of the marketing concept, the inherent conflict between short-term and long-term goals, limited resources available, a lack of specialist expertise, and the like) tend to decrease (see Becherer *et al.*, 2003; Liu, 1995).

Results on the psychological determinants of the entrepreneurs’ intention to adopt a marketing approach confirmed the validity of the TPB (Ajzen, 1991) to explain organizational behaviors, in general, and this adoption behavior, in particular. Attitude was found to exert no significant influence on the entrepreneurs’ intention to adopt a marketing approach. This finding suggests that the adoption of a marketing approach does not depend on the entrepreneurs’ perceptions of advantages and disadvantages deriving from the investigated behavior. On the other hand, the entrepreneurial choice to adopt a marketing approach is primarily affected by internal organizational factors as captured by subjective norm, which was found to be the main determinant of their intention to engage in such a behavior. External factors as captured by perceived behavioral control play a secondary role in influencing entrepreneurs’ decisions regarding the adoption of a marketing approach. According to some authors who applied the TPB to investigate organizational behaviors (Elliott and Jobber, 1995), subjective norm may be interpreted as an indicator of the organizational culture, that is, the pattern of shared values and beliefs about organizational functioning that provides members with the behavioral norms in their organization (see Deshpandé and Webster, 1989). Results on normative beliefs suggest that the main source of social pressures on the examined adoption behavior is represented by the top management, which presumably consists of other co-owner-managers of the firm, key members of its board (such as the managing director or the marketing/sales director), besides the single entrepreneur. These subjects act as culture carriers (Leppard and McDonald, 1991), that is, those figures within a firm that communicate organizational values and contribute to the development of an internal culture through their behaviors. Influencing values shared by these key subjects and their beliefs therefore becomes crucial, in order to favor the development of an open culture centered on competitiveness, innovation, and risk taking (see Deshpandé and Farley, 2004). Such a culture should be able to broaden the conception of marketing held by entrepreneurs and to encourage their marketing orientation as well. As regards the determining role of perceived behavioral control, results on control beliefs showed that the development of marketing knowledge within firms could be more crucial than other potential facilitating events to foster the adoption of a marketing approach in local SMEs.

Conclusions

This study shows that perceived social pressures are a key driver of the entrepreneurs' decision processes toward the adoption of a marketing approach. Specific external factors, such as the diffusion of a marketing knowledge in small business contexts, play a minor but significant role in fostering such processes; while entrepreneurs' attitudes based on subjective perceptions of advantages and disadvantages do not affect their decisions. These findings suggest that the development of an open culture in SMEs may be an effective strategy for policy makers to encourage the adoption of a marketing approach in Italian firms. In this regard, a crucial role may be played by marketing academics (such as researchers and educators), as also emerges from other research studies on marketing knowledge development, dissemination, and utilization within firms (e.g. Carson, 1993; Menon and Varadarajan, 1992). These subjects should be committed in the dissemination of marketing knowledge and principles in small firms, thereby favoring the creation of an external context that further stimulates the development of a marketing orientation. A challenge for marketing academics should be to persuade entrepreneurs whose marketing decisions are simplistic and haphazard (due to a lack of marketing background) to deepen their marketing knowledge and increase their predisposition and ability to put it to use in their organizations. To succeed in this task, marketing academics might adopt an inductational approach to the diffusion of marketing knowledge and principles in small business environments (i.e. what we call "the marketing of marketing"), above all when individual entrepreneurs are skeptical and reluctant to improve their knowledge in this field. Therefore, they could try to influence their entrepreneurial audiences' expectancies about, and perceptions of, marketing in general. MBA courses and specialized training programs are traditional knowledge dissemination channels that may help marketing educators attain this objective. Yet their effectiveness as a tool for the diffusion of marketing knowledge and the development of a pro-marketing culture in Italian SMEs might heavily depend on their perceived usefulness, which could be a function of the extent to which they are designed on SME peculiar characteristics and able to meet entrepreneurs' requirements.

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Var.		1	2	3	4	5	6	7	8	9	10	11	12
1.	x ₁	1.0											
2.	x ₂	0.71*	1.0										
3.	x ₃	0.61*	0.72*	1.0									
4.	x ₄	0.46*	0.55*	0.56*	1.0								
5.	x ₅	0.49*	0.57*	0.53*	0.41*	1.0							
6.	x ₆	0.35*	0.41*	0.44*	0.33*	0.62*	1.0						
7.	x ₇	0.46*	0.49*	0.54*	0.40*	0.57*	0.59*	1.0					
8.	x ₈	0.34*	0.36*	0.43*	0.32*	0.26*	0.27*	0.28*	1.0				
9.	x ₉	0.42*	0.49*	0.45*	0.39*	0.39*	0.36*	0.38*	0.57*	1.0			
10.	x ₁₀	0.30*	0.35*	0.34*	0.25*	0.28*	0.14	0.24*	0.40*	0.59*	1.0		
11.	y ₁	0.48*	0.56*	0.53*	0.44*	0.64*	0.48*	0.55*	0.35*	0.50*	0.36*	1.0	
12.	y ₂	0.39*	0.54*	0.50*	0.40*	0.57*	0.47*	0.53*	0.23*	0.41*	0.30*	0.76*	1.0

Notes: $n = 188$; * $p < 0.01$

Table AI.
Correlation matrix of
observed variables

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