University of South Wales

HOW CAN THE COMBINATION OF INTELLIGENCE, INNOVATION AND INTERFACING HELP TAKE A HI-TECH SME TO MARKET?

A CASE STUDY

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Abstract

This study interrogates the way in which marketing is carried out, or not carried out within a high technology based small business. The business in question was the basis of a case study undertaken over an 18-month period. This researcher aimed to examine how the combination of entrepreneurial, innovative and relationship marketing can be used to successfully go to market and increase turnover. This PhD project aimed to develop both a theoretical conceptual model and a practice-based application of the model for application in the case study company.

The research undertaken combined multiple methods of approach including autoethnographic participant observation, in-depth responsive interviews and inquiry from within the case study company as the researcher was fully embedded in the business for 18 months. This combination of these methods enabled an immersive and robust case study, which sat inline with the interpretivist approach allowing the researcher to gain an insight into the social construction of meaning in relation to the marketing practice of the high technology based small business and how such meaning can be used to inform 'contextual' theory development. The case study was then examined and explained using an autoenthographic narrative and positioned in three phases to show the progression from no formal marketing marketing to administrative marketing methods through to innovative and entrepreneurial marketing strategies and techniques.

The outcome of the case study research has resulted in an adapted practice-based model. This research has informed the development of the 3I's model and started to show that the weighting of each section may not be equal. The model suggests that market intelligence, marketing innovation and human interfacing used in the correct combination, as suggested by the researcher, can help high technology based small businesses and ultimately businesses in general go to market successfully.

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1 <u>Introduction</u>

This thesis is entitled 'How does the combination of Intelligence, Innovation and Interfacing help take a hi-tech SME to market'. In this context, the acronym SME stands for Small or Medium-Sized Enterprise and particularly relates to a trading organisation that has less than 250 staff. Moreover the term 'hi-tech SME' in this context relates to the case study company. The case study company designs and builds business to business ecommerce software for companies who want to sell their products online. The research project began in August 2011 as part of the Prince of Wales Innovation Scholarship (POWIS) project. The POWIS project was designed to help improve business access to research and development and cutting-edge thinking and, from this, generate new products, processes, patents and services. The POWIS project was unique in that the emphasis was upon driving innovation and commercialisation within the businesses through extended in-depth research over a period of 18 months.

This particular project involved a partnership between the researcher from the University of South Wales (formerly University of Wales, Newport) and the case study company. As is the case for many high technology companies founded by IT professionals, the expertise that existed in-house at the case study company was focussed on the development of the technology rather than on marketing. Whilst the company benefited from some basic marketing skills of the founding directors, there was an identifiable lack of any formal structured marketing strategy or marketing expertise in place which needed to be addressed for the company to reach its full potential. The owner-managers participated in the research project that contributed to this thesis and played an important role in processes that were created to help the case study company successfully go to market.

This study represented uniqueness; the research combined traditional marketing, innovative marketing, a focus on a high technology based small business, the entrepreneurial mind-set and a broad range of literature that had not yet been studied concurrently. This uniqueness developed new theoretical contributions as well as practitioner insights.

This chapter will introduce the research project and give an overview of the thesis:

- Section 1.1 outlines the aims of the research project.
- Section 1.2 describes the objectives of the research.
- Section 1.3 presents the research rationale.
- Section 1.4 describes the background to the research.
- Section 1.5 describes the research opportunity.
- Section 1.6 presents the sequential logic of the thesis.
- Section 1.7 provides proposals for the thesis contributions.

1.1 <u>Research Aim</u>

The research that contributed to this thesis aimed to examine how high technology-based small businesses, particularly the case study company, can use a combination of entrepreneurial, innovative and relationship marketing to successfully go to market and increase turnover.

The overall aim of the research was to develop a model of the way in which technology companies could successfully go to market, underpinned by theory development.

This PhD project aimed to develop both a theoretical conceptual model and a practice-based application of the model for application in the case study company, with analysis of how this could be more widely applied to other technology companies. An ethnographic study undertaken between 2011 and 2013, through systematic renovation of existing concepts, combined the technical marketing strategies developed over the course of the project with theories derived from entrepreneurship and technology development.

In undertaking this research, research into buyer perception became a critical knowledge base in order to determine the buyer behaviours, motivations and requirements in business to business scenarios, particularly those relating to high growth, high technology companies such as the one described in the case

study. Lack of understanding of buyer perception has historically been a failing of technology firms where, even though the technology was well-developed, the company found market reaction muted due to poor understanding of the customers' value requirement (Roy, 2008).

1.2 <u>Research Objectives</u>

- To explore the way in which a high technology based small business goes to market.
- To outline a conceptual model for application within the case study company.
- To carry out an extended case study of a high technology based small business using participant-observation and narrative inquiry.
- To gauge the perceptions of a high technology based small business' customers and to investigate relationships and make improvements.
- To seek to identify refinements to the conceptual model to create a more practice-based model for future application.

1.3 <u>Rationale for the Research</u>

The world of business across the industrialised world has, since the 1980s, undergone continuous change. The obvious changes are the influence of technology both on firms and on the markets they serve, followed closely by the impact of globalisation – where a market was once known to be somewhat geographically identifiable, now all firms, regardless of size and location, struggle with competitive and consumer forces on a global scale. But perhaps the most dramatic change to affect the way in which business is conducted has been driven by individual small firms such as the case study company, located in convergent areas and typically owner-managed. Entrepreneurial small firms have redefined the way business is done (Burns, 2005; Bjerke and Hultman, 2002; Carter and Jones-Evans, 2000).

The high technology industry was chosen for the focus of this research and the

extended research with the case study company allowed for in-depth exploration of the concept of entrepreneurial marketing and SME marketing within this context. Research emanating from this study together with the extant literature on entrepreneurial marketing provided a useful platform for this research as it identifies the interface between marketing, entrepreneurship and innovation, seemingly important elements in the marketing of high technology products. The model was constructed because the findings from the extended case study and the entrepreneurial and SME literature suggested that small technology firms market differently from larger firms in the sector (Gilmore, 2011).

Current mainstream marketing literature does little to recognise the complexities that surround marketing in small technology firms and there was also limited research into the marketing of high-technology products particularly in the SME marketing domain. It was proposed that firms like these face additional challenges and had different demands made of them than, for example, manufacturing SMEs, where the external environment is likely to offer much greater stability in the marketplace and where the demand for innovative practice is relatively low. Mainstream marketing researchers have tried to measure a firm's market orientation, but despite the plethora of market orientation scales presented in the literature (Kohli and Jaworski, 1990; Narver and Slater, 1990), none of these older frameworks or scales of measurement addresses the need for the entrepreneurial activity or innovative techniques required for the high technology market, and the ones that do exist fail to take into account the specific competencies and behaviours that exist in technology firms. However, more recently, there has been research carried out looking at a new framework to explore entrepreneurial marketing in SME's (Jones and Rowley, 2009a) and the entrepreneurial marketing orientation within SME's (Jones, et al., 2013a; Jones and Rowley, 2011), but these do not explore in depth a model to help high technology businesses go to market.

This research was therefore important because it addressed a gap in the entrepreneurial marketing, relationship marketing, hi-technology marketing and SME marketing literature in relation to small firms and the marketing of high

technology products.

The rationale for this research was twofold: firstly there were several gaps in the existing literature. As has been shown in Chapter Two of this thesis, there was a lack of research relating to marketing by SMEs, and in particular the marketing of high technology products and services. Further, the existing literature was deficient in providing insights into entrepreneurial marketing and a lack of suitable frameworks with which to investigate marketing in high technology based small firms.

The second rationale for this research was that this unique research opportunity was identified as being able to provide rare understanding of the key issues in respect of business and marketing for small firms in the high technology sector.

1.4 <u>Background</u>

Technology-driven companies have been faced with challenging markets that have driven the advance from generic traditional marketing functions into effective, responsive and resource-optimised style technical marketing solutions that are applicable to the sector. Many of the methods and approaches used in taking technology to market have been based upon models developed for an economic era that no longer exists (Bjerke *et al.*, 2002), before the evolution of computing. Examples of these, such as McCarthy's P's and Booms and Bitner's 7P's, still dominate undergraduate marketing courses in the UK.

However, given the fast-changing and evolving digital communications environment, it is not surprising to observe that many accepted marketing methods have been deemed out of date for the dynamic technology-driven economic and global era that firms now compete within (Helander *et al.*, 2006). The reality for many high technology based small firms, and SMEs in general, has been that whilst a deep understanding of the technology exists within the firm, little, if any, knowledge of how to take the technology to a viable market, or even of what the market is looking for existed, meaning that these firms had

developed innovative technologies without knowing what their customers or the market in general really wanted (Mannermaa *et al.*, 2000).

In terms of marketing strategies, it would appear that high technology based small firms, such as high technology companies, should aim to create a consistent strategy of proven and novel techniques designed and implemented to achieve secure longer-term strategic objectives of commercialising the company's intellectual property and ultimately growing sales revenues in the future (Parry *et al.*, 2012).   These novel techniques could be some that have been utilised in other fields (business to consumer marketing as opposed to business to business marketing, as discussed by Reed *et al.*, 2004), or they could be techniques that currently exist within high technology based small businesses but not in combination with traditional marketing methods.

Research into SMEs illustrated that firms often suffer inherent business constraints that may limit their capability to compete in the marketplace. Small firms are unlikely to have a designated marketing resource (Carson *et al.*, 1995) whilst the marketing of the high technology product offers challenges of its own. As the purchase of high technology product and support services can be a highly involved decision, particularly in business to business markets where the performance of the product affects the performance of the business, the decision to purchase requires confidence and trust (Brassington and Pettitt, 2002) on the part of the purchaser in the firm. For smaller firms without a recognised brand, they need to use innovative marketing techniques to promote and sell their high technology. The marketing role in the small firm tends to rest solely with the owner-manager (Scase and Goffee, 1980) who is the salesman and 'face of the firm'; therefore the firm's ability to market relies on the entrepreneur's personality and his or her approach to marketing.

The speed of change in technology markets also offers challenges to high technology firms who need to keep ahead of the market or lag behind and risk losing business opportunities. Firms managed by entrepreneurs are more likely to respond to changes in the market and to look for opportunities in the market (Morris *et al.,* 2002), therefore entrepreneurial technology firms are more likely

to succeed in the marketplace, but only if the firms and strategies are able to adapt quickly to these changes.

Given the issues outlined, the difficulties of marketing within the small business context and the challenge of marketing high technology products, the key research question posed by this investigation is: How does the combination of Intelligence, Innovation and Interfacing help high technology based small firms go to market?

1.5 <u>Research Opportunity</u>

The case study company is a small, high technology development business, focussing on business to business e-commerce solutions for SMEs as well as large multi-national corporations. It is based in Port Talbot in South Wales but is publicly listed on the ICAP Securities & Derivatives Exchange (ISDX) Market.

As is typical of many high technology companies founded by IT professionals, the expertise that existed in-house at the small South Wales-based e-commerce business to business company was imbalanced and largely dominated by and focussed on the technology (more so than on its technical marketing).

Prior to the project commencing, the company benefitted from some market awareness and an aptitude for sales by the founding directors, which enabled them to successfully close high value contracts with large companies. However, there was an identifiable gap of any formal structured technical marketing strategy or application of innovative marketing techniques in place, which was considered an important aspect for them to reach their full potential.

The research opportunity existed because, at the time of the research commencing, the company had attempted many different established and traditional marketing strategies, but none with great success or focus. This lack of success in using these established strategies led the Directors and Board to be

more willing to try novel marketing techniques and strategies which were not traditionally used in the IT sector previously.

This unique opportunity for the researcher was intended to be used to create a model that can be applied to a more generalised group of high technology based small firms in the UK.

The company agreed for the researcher to spend 18 months based at their premises undertaking novel marketing activities, and analysis of the effectiveness of these, in an attempt to successfully commercialise their products, services and other intellectual property to the largest possible market. This provided a strong intrinsic and potentially instrumental case study (Stake, 1995), upon which to undertake novel research.

1.6 <u>Structure of the Thesis</u>

This chapter has provided an overview of the research study. Chapter Two will provide a review of the most important literature that was deemed valuable to cover all aspects of the research that would be undertaken. Figure 1.0 below illustrates the parent theories reviewed and acts as a framework from which the research issue conceptual model will be derived.
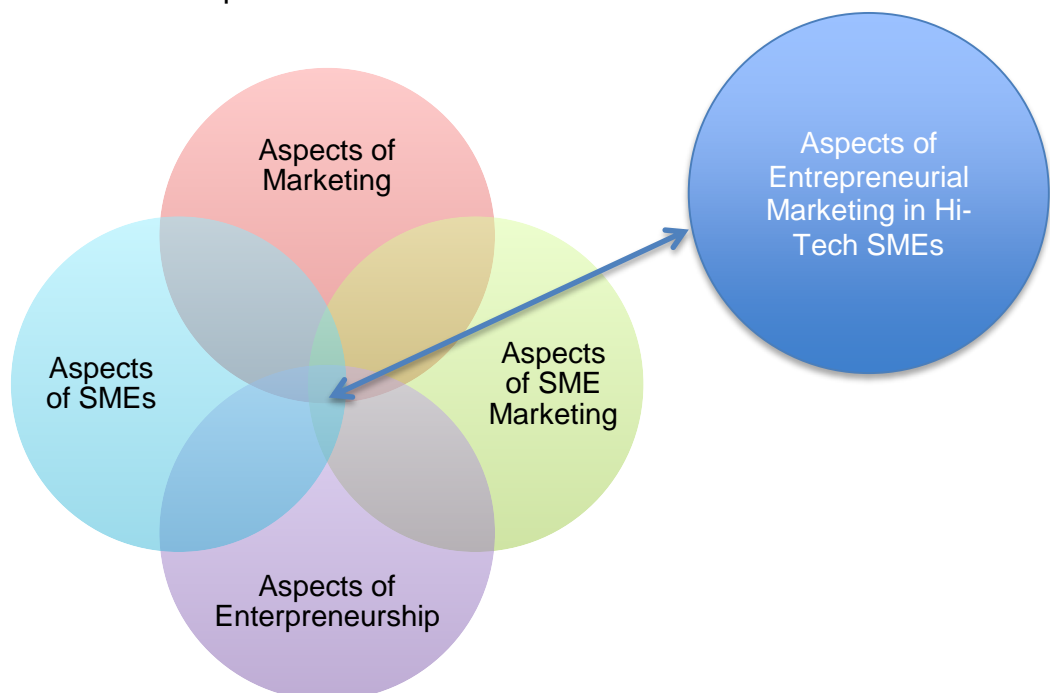
Figure 1.0: Relationships between the parent literature domains and the research issue.

Chapter Three outlines the philosophical position of the research (3.2) along with the ontological (3.2.1) and epistemological assumptions (3.2.2). The research design was developed (3.3) and data generation methods discussed (3.4). The chapter continues with an explanation of the analytical method used in relation to the data generated (3.5) and concludes with the consideration of the limitations (3.6) and ethical issues (3.7) of this study.

Chapter Four introduces the case study company; it describes the case study company in detail and then moves onto the case study narrative, which is derived from the ethnographic journal kept from by the researcher throughout the 18 month period. The narrative is split into three phases as the research within the case study was undertaken over 18 months and there were a number of obvious changes in the owner-managers' understanding and application of marketing within the case study company. The three phases are split into months - August 2011 to May 2012, June 2012 to September 2012 and October 2012 to March 2013. Narrative was used for this chapter as it best told the story of the ethnographic journal that was kept by the researcher over the 18-month period.

Chapter Five then describes the qualitative research findings from the extended case study in a narrative format. This includes data from participant-observation during the case study and also data from interviews with the case study company's customers as well as external research with a small number of prospective customers. The findings from all aspects of this research confirm that high technology based small firms market differently to large firms and that there needs to be a different marketing framework for this type of business to be working with, and if this framework is not adhered to, the business will not be able to go to market successfully.

Chapter Six brings all of the research and findings together to draw conclusions

from the case study in line with the under-researched areas discovered in the previous literature. It highlights the original contributions to theory whilst looking at the implications for management and gives recommendations for future academic and practitioner research.

1.7 <u>Thesis Contributions</u>

Specifically this research makes contributions in the following four areas:

1. This research makes a contribution to the understanding of marketing in high technology based small businesses.
2. It makes a contribution to the understanding of small and large firm marketing strategies and methods in the software sector of the high technology industry.
3. Using ethnographic holistic research, it develops an understanding of business and marketing in a specific high technology firm and customer perceptions of using a small firm.
4. The 3I's model can be used to help future high technology based small businesses go to market more effectively; and may be developed for research in other sectors and in larger firms.

1.8 <u>Summary of Chapter</u>

The purpose of this chapter is to provide the reader with all of the important aspects of the thesis, before reading the main body of the text. This chapter has detailed the thesis title, aims and objectives, rationale and background and the contributions that this thesis makes.

2 <u>Literature Review</u>

2.1 <u>Introduction</u>

This literature review aimed to identify which entrepreneurial and innovative marketing strategies, methods or frameworks, if any, have already been researched and tested for use in the high technology based small firm environment. These strategies, methods or frameworks have then been combined to create a conceptual model that has then been trialled within the case study company using a combination of ethnographic research, experimentation, observations and interviews. This has created a new practice-based model to use in high technology based small firms. It has looked at how the marketing/entrepreneurship interface works in relation to high technology based small firms. The literature review also helped to inform the conceptual model by addressing missing links in the literature. This conceptual model then formed the basis of the research question.

This literature review started by critically analysing a brief history of how marketing has evolved, and how contemporary scholars define what 'marketing' is (Figure 2.1). It then looked at how business to business marketing is changing, along with the change in technology and how this has created the need for innovative and entrepreneurial marketing, most particularly in the high technology area that is being studied. Moreover it has looked at the interrelationship of entrepreneurial marketing; relationship marketing, innovative marketing, technology marketing and high technology based small firms to see how they converge at the interface (Figure 2.2).

2.2 <u>Overlapping Literature.</u>

This section of the literature review will looked at the literature that exists with regard to different marketing theories and strategies that are sometimes classed as the marketing 'norm'. It looked at the following:

- 2.2.1 Background to marketing from past to present day.
- 2.2.2 Modern trends in business to business marketing.

- 2.2.3 The relationship marketing approach.
- 2.2.4 Towards a service oriented approach.

The literature that is being looked at in this section can been seen below in Figure 2.1, with the current overlaps identified. It also identifies any areas of research that are currently lacking at the convergence of all three themes.
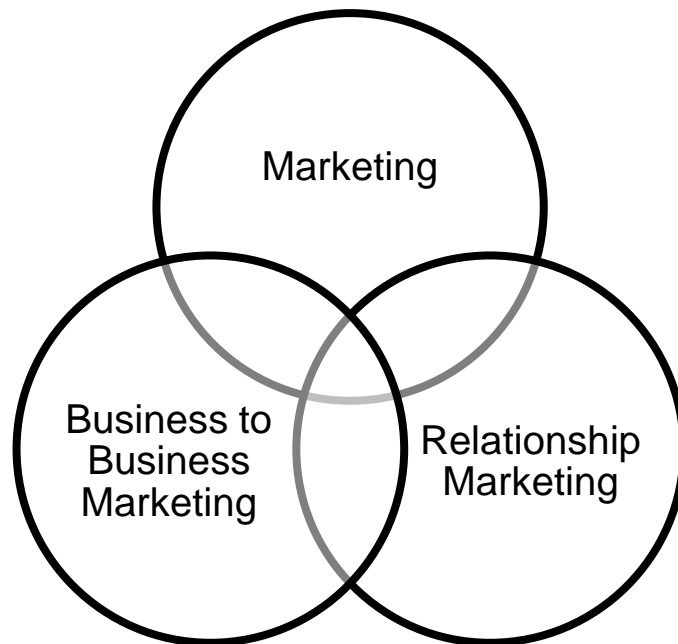
Figure 2.1: Basic Overlapping Literature

2.2.1 Background to Marketing from past to present day

The marketing mix of product, price, promotion and place was introduced by McCarthy (1960) and has since become widely-regarded as an 'infallible' guide for an effective marketing strategy (Grönroos, 1994a), however, Mannermaa *et al.* (2000) suggest that there has been constant discussion about the differences and similarities of different research traditions or schools of thought in marketing since the 1970s. It was at this time that the notion of social marketing was introduced by Webster (1978), establishing a greater element of research in marketing activity, leading to a new definition of what marketing is and how there are constant changes in the way in which marketing could be

done, and that the traditional marketing mix cannot always been adhered to at all times.

Table 2.1 shows a number of different marketing trends, strategies and approaches that have been adopted over the years from 1960 to the present day. This table sets out how marketing has changed and evolved over time and shows how marketing is no longer one-dimensional and has moved far away from the traditional marketing era of the 1960s and 70s.

Date	Term	Underlying Dimensions / Characteristics	Factors leading to its use	Type	Source
1960	4P's	The marketing mix is a combination of controllable factors at a marketer's command to satisfy a target market.	It made marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists.	Tactics	McCarthy (1960)
1975	Social marketing	The design, implementation and control of programmes calculated to influence the acceptability of social ideas . . . the explicit use of marketing skills to help translate present social action efforts into more effectively designed and communicated programmes that elicit desired audience response.	Renewed interest has developed in applying marketing concepts and techniques to a variety of non-business and not-for-profit activities	Paradigm, perspective, approach	Webster (1978)
1981	7P's	Same as 4P's but People, Process and Physical Evidence added into the 'Mix'.	Marketing became a more sophisticated field.	Tactics	Booms and Bitner (1981)
1992	Expeditionary marketing	Creating markets before competitors; continuous search for innovative product concepts; overturning price/performance assumptions; leading	Increased focus on speed (cycle time), quality and cost.	Strategy	Berry (1983) Hamel and Prahalad, (1992)

		rather than following customers; tolerance of failure.			
1992	Relationship marketing	Identifying, establishing, maintaining, enhancing and terminating relationships with customers and other stakeholders, at a profit; achieving objectives of both parties.	Sophisticated customers want individualised attention; new technology; maturing markets.	Paradigm, perspective, approach	Hills and LaForge (1992)
1993	Guerrilla marketing	Low cost, effective communications; cooperative efforts and networking, leveraging resources, using energy and imagination.	Changes in markets, media, methods, marketing, limited budgets, resources, time.	Tactic	Levinson (1993)
1993	One-to-one marketing	Marketing based on knowing the customer through collaborative interactions (dialogue and feedback) to tailor an individualised marketing mix on 1:1 basis; product-centric.	Technology-generated discontinuities; emergence of 1:1 media.	Strategy / approach	Peppers and Rogers (1993)
1995	Real time marketing	Technology-facilitated, real-time dialogues with interactive services.	Information technology; high-speed communication; customised software.	Strategy	McKenna (1995, 1997)
1996	Disruptive marketing	Shattering culturally embedded biases and conventions, setting creativity free to forge a radical new vision of a product, brand or service.	Discontinuities	Process / methodology	Dru (1996, 2002)
1997	Viral marketing	Self-replicating promotion fanning out over community webs and spreading like a virus multiplying and mutating as like-minded people market to each other.	Internet boom	Tactic	Jurveston and Draper (1997), Godin and Gladwell (2001)

1999	Permission marketing	Approach to selling goods and services in which a prospect explicitly agrees in advance to receive marketing information.	Advent of internet and e-mail	Approach	Godin and Peppers (1999)
1999	Radical marketing	Redefine competitive rules; challenge conventional wisdom of the industry; strong visceral ties with target audience; maximal exploitation of limited budget.	Focus on growth and expansion rather than short term profits; limited financial resources.	Approach	Hill and Rifkin (1999)
2000	Buzz marketing	Consumer-generated information dispersal through individual network hubs by creating excitement, infatuation and missionary zeal.	Rise of internet; cost-effective WOM; growing dissatisfaction with standard set of solutions.	Tactic	Rosen (2000)
2000	Customer centric marketing	Marketing function seeks to fulfil needs / wants of individual customers. Focuses on the needs, wants and resources of customers as a starting point in planning process.	Increased pressure to improve marketing productivity; increased market diversity; emerging technologies.	Orientation	Sheth *et al.* (2000)
2000	Business-to-business marketing	Level of personal selling and quantities and transactional value is much increased compared to business to consumer.	With longer and more complex buying cycles, more complex marketing was needed, not just simple 4 or 7P's	Approach	Doyle (2000)
2002	Convergence marketing	Fusion of different technologies or combination of channels creating new possibilities for the hybrid customer.	Internet as a commercial platform; empowered / hybrid customer.	Strategy	Wind *et al.* (2002)
2002	Entrepreneurial marketing	Opportunity driven, proactive, customer focussed, innovation focussed.	To overcome problems, entrepreneurial firms need to have a very proactive approach to marketing, which is reflected in the characteristics of the entrepreneurial marketing.	Approach	Morris *et al.* (2002)

2004	Digital marketing	Content-based pull marketing, rather than pushing promotions.	With the introduction of the internet, digital marketing needed to develop to introduce a newer, more effective way of marketing to the more informed consumer	Approach	Liang *et al.* (2004)

Table 2.1: Perspectives of the emerging nature of marketing adpated by the author (Morris *et al.*, 2002).

The above changing marketing paradigms have shown a the shift in the way that authors think 'what marketing is' over the years, however, most of the literature produced appeared to be targeted at larger organisations and there is yet to be a distinct tailored approach for SMEs (Gilmore, 2011). Gilmore *et al.* (2001) also suggested that small business marketing is haphazard and informal because of the way owner-managers do business. It has been well-documented that small businesses have unique characteristics that differentiate them from conventional marketing in large organisations (Carson, 1990), however, there is yet to be a formally trialled and tested marketing model that could be utilised in smaller businesses catering to the characteristics of the owner-managers / entrepreneurs involved in the marketing decisions. There are various definitions for each marketing term that has been used throughout the study, and these can be found in Appendix 1 for reference. The next section of this chapter will focus on areas of literature that are relevant for research such as modern trends in business to business marketing and how the change in the business buyer has created a much more consumer-oriented market compared to the traditional business purchasing strategies and groups from an era before the internet.

2.2.2 <u>Modern trends in business to business marketing</u>

The differences between consumer and business markets have been discussed previously (Hutt *et al.,* 1998; Simkin, 2000; Kotler and Keller, *2005*), and organisational buyers were found to differ from consumers in their type of purchase and decision processes (Mudambi, 2002; Thompson, *et al.*, 1998; Wilson and Woodside, 2001). Traditionally, the contrasts revolve around:

- market structure and demand;
- the nature of the buying unit;
- the types of decisions and the decision-making process involved (Kotler *et al.*, 2001).

Business to business organisations normally have a large number of customers that have to be handled individually (Hakansson *et al.*, 1976), and they may also require relationship development between the selling and the buying organisations (Ford, 2003). These areas have been highlighted in the work of the Industrial Marketing and Purchasing (IMP) Group and epitomised in their writing over the last two decades and represented more recently by Turnbull *et al.* (1996), Hakansson and Snehota (2000) and Ford (2002).

More recent research carried out by Wiersema, (2013) discovered that among the rich diversity of business conditions, practices, and situation-specific nuances there are two major challenges stood out and were widely regarded as pivotal levers for advancing the practice of B2B marketing. Both these challenges are company-wide and interconnected rather than isolated tasks. The more effectively these challenges (and related imperatives) are addressed, the greater their potential impact on business performance.

- Build stronger interfaces between marketing and other functions.
- Extract and leverage more granular customer and market knowledge.

Business to business marketing was mainly practice-based until the early 1970s, with relatively little academic interest. One of the reasons for the low level of academic attention to business to business marketing was the

complexity of studying business buying behaviours (Sheth and Sharma, 2006). Further reasons include the lack of access to businesses to study them and the lack of easily-recognisable financial return on investment. Studies in this area require organisational cooperation and intimate knowledge of how the organisation works, which to this day, are not normally easily attained. Fortunately, the research in business to business marketing since Webster's 1978 call to action has been extensive, meaning that more in-depth investigation could be carried out.

Thanks to Webster's call to action, throughout the late 1980s and early 1990s, research began to highlight the importance of developing relationships for effective marketing (Reijonen, 2010) and, most importantly, in the business to business context. This led to numerous academic publications testing these conceptual frameworks and enhancing conceptual foundations. Scholarly opinion seemed to converge on a pattern of paradigm shift from a transaction-based marketing perspective to a relationship marketing perspective (Sheth and Sharma, 2006). Moreover, as Grönroos (1990) states, marketing establishes, maintains and enhances long-term customer relationships at a profit, so that the objectives of the parties involved are met. Hunt *et al.* (2006) agree, stating that business to business marketing involves relationship marketing and that businesses need to build a strong brand first, with marketable unique selling points, before trying to focus on how and why their current customers buy, which will then lead to how to market to their new potential customers. Therefore the importance of building strong relationships is imperative for business to business organisations to succeed (James, 2012).

It is well known that business to consumer organisations have a high level of marketing, and senior managers with a responsibility for marketing are heavily involved in strategic planning procedures. The suggestion is that business to business organisations have not embraced the concept of marketing in the same way as the fast moving consumer goods (FMCG) sector, with a lower level of priority given to marketing within the organisational power structure (Reed *et al.*, 2004).

However, this lower level of priority given to marketing in business to business organisations could be because it involves a two-way decision process with active and limited buyers as well as complex and large orders (Hallin *et al.*, 2006). It has complexities that require deep and widespread attention, rather than the more simplistic, one-to-many style of business to consumer marketing. Therefore there are two important aspects in the business to business world: relationships (Mehta and Durvasula, 1998; Ford *et al.*, 2002); and value creation (Anderson and Narus, 1999). Albadvi and Hosseini (2011) also suggest that the concept of business to business marketing has linkages between the fields of relationship marketing and value-based marketing. On one hand, relationship marketing has focussed on relationships, networks and interactions (Gummesson, 2002) and is defined as attracting, maintaining and enhancing customer relationships (Berry, 1983). On the other hand, business to business marketing can be defined as the management process maximising returns to shareholders through developing relationships with valued customers and creating a competitive advantage (Doyle, 2000).

Gummesson and Polese (2009) present two additional current developments in business to business marketing that progresses the work of Albadvi and Hosseini (2011); many-to-many marketing and Service-Dominant Logic (S-D logic). Taking into account relational approaches to business to business and service management and marketing as well as in relationship marketing and customer relationship management, many-to-many marketing offers a general network-based theory. It blurs the boundaries between business to business and business to consumer and between the supplier and customer, stressing the customer's active role through the consumer to business and consumer to consumer concepts. S-D logic is synthesising extant research and re-conceptualising goods and services into value propositions and service, engaging both companies and consumers in the co-creation of value. S-D logic and Co-Creation of value will be explored further in section 2.2.4 and 2.4.1 respectively.

Wind (2006) also suggests that business decisions are affected not only by customers but by end consumers, distributors, suppliers, employees,

shareholders and others who are all heterogeneous, therefore marketing concepts and approaches should not be restricted to buyers but should apply to all stakeholders.   With an emphasis on relationships in both consumer and business to business markets, trust and fair play become even more crucial than in transaction-focused interactions, which will be discussed more in section 2.2.3.

Moreover, new technologies such as social media platforms have helped to create a more empowered customer and this has led to a shift in the relationship between companies and customers. Alvin Toffler (1980) called this trend the emergence of the "prosumer", a blend of producer and consumer. However, advances in technology have progressed way beyond what Toffler imagined (Gummesson, 2008). This empowered consumer, who is involved in working with companies to develop or customise products and services, behaves much more like an active buyer in a business to business market. The customer is not a passive recipient but an active collaborator (Wind, 2006).

Many of these changes reflect the changing nature of business. In contrast to the business to business marketing of the past (practice- and transaction-based), businesses are increasingly based upon knowledge networks, which present a very different set of challenges for companies. In contrast to the traditional industrial market focus on finding raw materials and turning them into finished products, adding value through manufacturing, the focus is on adding value through knowledge. Wind (2006) suggests marketing cannot be separated completely from other disciplines that shape the offering and interaction with customers and other firms. The world has changed in fundamental ways. Is there a need to rethink business to business marketing? These changes have significant implications for the theory and practice of business and business to business marketing (Morrish, 2011).

It can be seen that there are a number of business to business marketing concepts from various authors (Albadvi and Hosseini, 2011; Doyle, 2000; Gummesson, 2002; Gummesson and Polese, 2009), but there is yet to be a definitive definition as to what business to business marketing is, or what it

should involve. The authors mentioned above highlight four different styles of business to business marketing – Relationship Marketing, Management Process, Many-to-Many Marketing and Service-Dominant Logic – showing us that apart from the numerous theories and models, there is not yet one model that has been created and has been tested in business to business organisations, or one that yet focuses on the change in business to business markets. Moreover, there is yet to be a wide range of literature focussing on marketing in high technology, business to business SMEs. The focus is very much on business to business marketing in larger organisations. General SME marketing will be discussed in sections 2.3.1 and 2.3.2. The next section will look at how buying behaviour has changed in recent times and how this affects the way in which business to business marketing should change in line with this.

2.2.2.1 Changes in business to business buying behaviour

As the field of business to business marketing establishes itself, the lines are beginning to blur between business to business marketing and business to consumer marketing. Many of these shifts are driven by new information technology that has connected consumer and business to business markets in new ways and has changed management practices. The consumerisation of business to business has become much more prominent, with the change in business buyer behaviour, how buyers are viewed by organisations, and how they want to be marketed to (James, 2012).

Business to business buyer behaviour has changed over the last few years and buyers have greater control than ever before over the way they research information to support their purchases as a result of the large amount of data freely available on the internet, whether in the form of opinion, referenced fact or commercial propaganda. Research by Base One (2011) shows that traditional online sources were most commonly utilised, followed by offline, with new online and social media sources used much less frequently overall. However, even though new media is the least used, 4 in 10 decision makers are now incorporating the use of these tools into at least some part of the decision making process (Base One, 2011).

When we leave home and enter the workplace, we do not turn into a different person, we are still the social being that we are in our everyday lives and this increasingly includes internet-based communication and social networking. This is changing the way in which the business to business buyer looks for information about products and services and ultimately buys them. With this change in the business to business buyer, businesses need to make sure that they keep up with these behaviours to ensure that all of their channels are catered to, to help increase their routes to market and ultimately, to increase their sales and profits.

Only a few years ago, the online purchase journey was a pretty straight line; customers knew what they wanted, they trusted a few select web retailers and they bought. Today's digital landscape is complex. Customer interactions span an increasing array of touch points, with customers often crossing multiple channels. This influence and behaviour is being transferred from business to consumer to business to business, and the way in which the business to business buyer behaviour is changing. Business to business buyer behaviour has evolved in line with consumers' adoption to the internet. York (2011) suggests that a new business to business buyer has arisen that is more connected, more impatient, more elusive, more impulsive, and more informed than its pre-millennium ancestors. Furthermore, Deacon and Harris (2011) note that the world of business across the industrialised world has, in the last 25 years, undergone continuous and turbulent change. The obvious changes are the influence of technology both on firms and the markets they serve, followed closely by the impact of globalisation. But perhaps the most dramatic change to affect the way in which business is conducted has been driven by individual small firms, located in local neighbourhoods, and typically owner-managed.

As one of the most serious internet users, the business to business buyer has been transformed through adaptation to the new online environment which includes social media, online discussion boards and peer reviews (James, 2012). The internet has changed the business to business buying process so radically that it is difficult to recollect exactly how the pre-internet business to

business buyer used to go about the business of making a purchase. Gone are the days when sales people actively 'sold' to prospects and buyers had to use the phone and directories. Marketers would participate in 'interruption marketing' (Marketo, 2011) – doing their best to get in front of prospective customers regardless of the level of intent or qualification. Thanks to the internet, social media and other major online influencers, prospects are spending more time on the web doing independent research, obtaining information from their peers and other third parties (James, 2012).

Social media now plays a key role throughout the entire revenue cycle, beginning before prospects are even identified, to after they have become customers (Francis Morgan, 2011). The business to business buying process neither starts nor stops at a website. It is more likely to start at a major search engine, industry portal or social network. If businesses want their product or service to be considered, it is critical that their content appears wherever the new business to business buyer looks at every point in the decision making process. It is not enough to just write a blog or make a white paper available for download on a website, because prospects may never find the website if it does not show up in search engines and on social media (York, 2011).

However, it is important to remember that the basic information needs of the business to business buyer for product information, pricing, delivery, etc. have not changed, it is just that the way in which the buyer goes about sourcing this information that has changed (Marketo, 2011). Capturing the attention of the business to business buyer, or in reality the business to business buying team, becomes even more complicated compared to traditional sales and marketing, because it now requires the marketer to focus on all parts of the buying team in different ways, on different media, at different times.

Organisations are realising that their business customers are also consumers (Ernst, 2012). They go to Starbucks for a morning coffee, fly with Virgin and shop at amazon.co.uk. Firms like these are obsessed with customers, and in the past years, have got a lot of recognition for the exceptional experiences they deliver at every digital touch point. These experiences shape the expectations

of business buyers and they will expect just as good an experience with any company they deal with, for business or personal reasons.

Hence Gummesson and Polese (2009) question which 'business' in business to business represents the supplier and which represents the customer as this is not apparent. In conventional marketing management the seller is the aggressive party that takes initiatives and the buyer is persuaded and managed to behave according to the supplier's desires. Consequently the first 'business' represents the supplier. The roles of active and passive parties were even established in the American Marketing Association's 2004 (Gundlach, 2007) definition of marketing: "Marketing is an organisational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders". Note the expressions "delivering to" and "managing customer relationships" which hand over initiative to the seller. In business to business marketing, this is no longer a universal truth.

Studies by von Hippel (1988) revealed that initiatives come from both directions. Organisational buyers demand of their suppliers that they develop value propositions according to the buyers' desires and specifications. They sometimes intervene and help or force sellers to change their operations or this is done in close interaction. In long-term relationships, considerable adaptation between buyer and seller systems takes place. It is co-creation of value and more about this can be seen in section 2.5.1.

It can be said that authors are in agreement that business to business buyer behaviour is constantly evolving and moving closer to the way in which consumers look for information about products and ultimately buy them. Businesses need to make sure that they keep up with these behaviours to ensure that all of their channels are catered to, increasing their routes to market and ultimately increasing sales and profits. Therefore further research into how business buyers now research, what channels they use, and how they like to be targeted needs to be carried out in order to help create a marketing model that can be used in business to business organisations, large or small.

Section 2.2.3 will look at the literature relating to relationship marketing and if there are any areas that require further research in the context of the high-technology based small business.

2.2.3 <u>The relationship marketing approach</u>

Although extant research identifies numerous factors associated with successful relational exchanges in business, the six factors cited most often are (Hunt *et al.,* 2006):

1. Trust
2. Commitment
3. Cooperation
4. Keeping promises
5. Shared values, and
6. Communication

The literature to be reviewed below will look at the concept of trust for relationship marketing as contemporary marketing literature emphasises trust as a fundamental concept characterising most interpersonal and interorganisational relationships. Therefore, trust-based relationships build one of the most obvious characteristics of the *conditio humanae* (Elster, 2000). Yet in business to business marketing, trust is still a concept that is in need of clarification and theoretical scrutiny. The domain and limitations of trust in business relationships need to be defined and scrupulously analysed (Mouzas *et al., 2007)*.

Gil-Saura *et al.* (2009) suggest that the literature on business to business relationships has produced a number of definitions of trust that show some differences. The first issue is who is doing the trusting. A few definitions refer to interpersonal trust, that is, trust in the contact person; however, most studies adopt the concept of interorganisational trust (Morgan and Hunt, 1994; Anderson and Narus, 1999). Blois (1999) questioned whether organisations

could trust, as trust involves an emotive component, and concluded that "interorganisational trust is a short-hand for two sets of individuals each of which trusts the organisation of which the others are members".

Trust is inextricably linked to human beliefs, sentiments, or intentionality (Blau, 1964; Pruitt, 1981; Rotter, 1967; Fukuyama, 1995; Solomon and Flores, 2001). Therefore trust can be seen as being more applicable to interpersonal relationships than business relationships (Parsons, 1951; Hardin, 1991). Relationships between organisations are invariably based on considerations of mutual interest and risk assessment (Sebenius, 1992), resulting in certain levels of confidence regarding the viability of the business relationship. There is a certain security and comfort in dealing with someone you know. There is an existing level of trust, knowledge and friendship to build on. Strengths and weaknesses are known quantities, thereby reducing the risks of taking on a new supplier or customer (Brassington and Pettitt, 2002). Some relationships can be very long-lasting and resistant to change, despite the temptations of competitors' marketing. Therefore it can be difficult for an outsider to break into such well-developed and managed relationships.

A number of studies have been undertaken into the duration of buyer-seller relationships. Over long periods, high degrees of personal and organisational trust can develop. Trust has been defined as 'a willingness to rely on an exchange partner in whom one has confidence' (Moorman *et al.*, 1993). Although trust can create vulnerability, it can still be a very powerful bond: if you believe that the other party will not let you down on expertise, reliability or intentions, the nature of the buyer-seller allocation of roles and responsibilities can change.

But why do firms enter into relationships that involve relational exchanges with other firms and consumers? Hunt *et al.* (2006) propose that the answer to this question is that firms enter into relational exchanges with other firms and with consumers when such relationships enable firms to better compete. That is, relationship marketing involves a strategic choice. Specifically, the fundamental imperative of relationship marketing strategy is that, to achieve competitive

advantage and, thereby, superior financial performance, firms should identify, develop, and nurture a relationship portfolio (Gummesson, 2002; Hunt and Derozier, 2004).

2.2.3.1 Relationship vs. transaction

It was realised a number of years ago that business to business purchasing decisions are not made instantaneously (Robinson *et al.*, 1967) but occur as a process which takes place over a period of time and which involves a number of personnel from the purchasing company (Buckner, 1967). Therefore, in order to communicate effectively with current and potential customers the business to business marketer must appreciate the stages and personnel involved in the process by which buyers translate their needs into purchase decisions; this is still relevant in today's environment.

It was therefore in the late 1990s, there looked to be widespread consensus that the traditional marketing mix management paradigm and different relational approaches formed two basic alternative approaches to marketing (Olkkonen, 1998; Sheth and Parvatiyar, 1995) and authors such as Webster (1992) also proposed that different business relationships vary along a 'marketing-strategy continuum" or a 'range of marketing relationships'. Webster went on to talk about the span of the continuum, describing how at one end of the continuum it is suggested that there is a purely transactional relationship, in which the customer and the seller focus on the short-term exchange of basic products in a highly competitive market, which conforms to the traditional notion of marketing mix management from the 1960s and 70s (Mannermaa *et al.*, 2000).

The other end of the continuum research has its primary theoretical underpinnings from the IMP Group, interaction/network research (Ford *et al.*, 1998; Hakansson, 1982; Hakansson and Snehota, 1995) and the so-called Nordic School of Services and Relationship Marketing (Gummesson, 1998). This suggested a purely collaborative relationship, in which the customer and the supplier organisations form strong social, economic, technical, and legal

bonds over time in order to achieve mutual benefit. This relational approach is most in line with current thoughts of entrepreneurial marketing that have gained a momentum of research since 1999, when the Journal of Research in Marketing and Entrepreneurship was introduced showing that there was believed to be a link between entrepreneurship and marketing, and most specifically small business marketing. When this was created marketing may have been an area where entrepreneurial or small businesses were regarded to be at a disadvantage (Shaw, 1999), however in the dynamic markets of today, particularly given the breakthrough of the internet, information technology and worldwide logistics systems, marketing may instead be an area where such firms can take the advantage (Hultman, 1999).

More recently, businesses have been enabled to take on the job of broadcasting to other businesses about the performance of sellers. Relationship and trust have always been important but in addition to trust-building through marketing initiatives and the selling power of real performance, there are now also peer-to-peer rating systems (Wind, 2006). The importance of this peer-to-peer interaction is also seen in referenceability, recent studies have found that a customer's willingness to refer another customer to a company, and act as an advocate in promoting that company, is a clearer sign of customer satisfaction and much better than traditional measures of satisfaction. There is a shift from a transactional focus to building relationships with customers.

Buyers of business to business services are more likely to seek longer-term relational buying arrangements, for example, than those in the market for physical goods procurement (Grönroos, 1995; Holmlund and Kock, 1995; Mittal, 1999). According to Hogan (1998), buyers of services are not only concerned with the transfer of services, but also with the quality of the interaction with their suppliers. There is a trend among manufacturers to reduce the number of suppliers to a group of key, valued ones, with whom they wish to maintain true relationships. Understanding what makes business to business relationships lasting and stable is one of the main areas of academic interest in the study of organisational relations (Chumpitaz *et al.,* 2007).

Relationship marketing - which has constituted a major shift in the way business has been perceived in the last two decades (Morgan and Hunt, 1994) - is considered as the philosophical predecessor of customer relationship management (CRM) (Zablah *et al.*, 2004). Value is one of the important constituents of relationship marketing. Adding value to the product or service is a means of increasing customer satisfaction, which in turn results in improved customer relations (Ravald and Grönroos, 1996; Grönroos, 1997). Relationship marketing differentiates itself from the transaction-oriented marketing approach by emphasising the process of maintaining and enhancing on-going relationships with customers as well as identifying and establishing new ones (Grönroos, 1999; Hunt *et al.*, 2006; Das, 2009). Hunt *et al.* (2006) propose that the relationship marketing theory has the potential to increase our understanding of many aspects of business strategy. Relationship building programs can be supported by technologies such as CRM systems that allow the organisation to gain an insight into the behaviour of individual customers as well as to generate data concerning those customers. Literature for CRM develops parallel with the relationship marketing literature. Authors such as Gummesson (2004, 2005), Hunt *et al.* (2006), Baran *et al.* (2008), and Payne and Frow (2005) discuss these concepts collectively and others such as Rowley (2004), Crosby (2002), and Zablah *et al.* (2004) point to the ties between relationship marketing and CRM. Lambert (2010) states that CRM and supplier relationship management provide the critical linkages throughout the supply chain. All these studies acknowledge that relationship building processes are supported by CRM systems and propose that CRM is the rubric under which the relationship concept has achieved recent widespread appeal (Crosby, 2002).

The literature highlights the need for trust and relationship building between customers and organisations, but also between organisations. With the longitudinal relationships that come with business to business purchasing, there is a greater need for much more in-depth relationship marketing and CRM to ensure that the customer acts as an advocate but is also willing to help with the creation of new products or services.

2.2.3.2 Use of networks in relationship marketing

As part of relationship marketing, 'networks' and 'networking' have been identified as important tools that can improve the marketing effectiveness of entrepreneurial organisations. For example, networks and the activity of networking have been found to improve new product development, introduce firms to new clients, widen their resource base and improve their pricing structure when employed in an entrepreneurial manner (Shaw, 1999). Entrepreneurial marketing, entrepreneurship, and SME marketing researchers have identified a range of network types, which include business networks, social networks, and industry and marketing networks (Aldrich & Zimmer, 1986; Carson, Cromie, McGowan, & Hill, 1995; Gilmore, et al., 2001; Hill, 2001; Shaw, 2006). Networks are important to small firms because they lack business capabilities and capacity due to their small size, and, in particular, face challenges in marketing (Jones, et al. 2013b). Moreover, Dean *et al.* (1997) also comment that networking for business activities is about 'companies joining together with a common objective, working together, and co-operating' through the exchange and sharing of ideas, knowledge and technology. Such networking can occur through trade events, personal contacts, in liaison with marketing intermediaries and as part of the SME owner-manager's social endeavours.

Gilmore (2011) suggest that some of the characteristics of 'marketing by networking' are that it is based around people-orientated activities, it is informal, often discreet, interactive, interchangeable, integrated and habitual and can either be passive or proactive. Networks have been found to make important contributions to entrepreneurial firms' innovation processes (Johannisson and Peterson, 1984; Leonard-Barton, 1984; Rothwell and Dodgson, 1991). For example, by collaborating through networks, entrepreneurial firms have been found to code and share technical and scientific information in a manner that encourages new product development and technology transfer (Saxenian, 1990; 1995).

The networks within which entrepreneurs and their organisations are embedded have been found to provide accurate information and advice, which can be used to take market decisions and evaluate the validity of these decisions. Reasons suggested by Collinson and Shaw (2001) that explain why these networks contribute to the marketing effectiveness of entrepreneurial organisations are that when lacking market information and knowledge, such organisations often make use of their personal contact networks to provide them with the market information and advice they need if they are to develop their business further and progress throughout the entrepreneurship process. Also, with a number of entrepreneurs lacking time and resources, they often glean marketing information through conversations with people they interact with on a daily basis, and this constitutes the market scanning which is used to keep them up to date about conditions and changes in their market (Carson *et al.*, 1995). In more recent research, Jones, et al. (2013b) suggest that there are a total of six strategic networks in use in high technology SME's today; firms use intra-firm, social, customer, business, innovation, and marketing and sales networks to leverage additional resources that create value for the firm. It was shown that all firms interviewed used networking to leverage additional resources for the firm. This created additional value in respect of supporting the firm to develop new and incremental software technology innovations, and in developing and marketing technology products and services, despite variances in networks which are most likely affected by the networking opportunity provided in each of the network clusters in which these firms are embedded (in the UK and the United States).

Gilmore *et al.* (2001) suggest that competitive advantage is very important for SMEs and may emanate from innate SME communication activities, such as interacting and participating in social, business and trade activities, these networking activities form the primary source of market intelligence on which SME planning is based. Moreover, Evers and Knight (2008) used a network perspective and a qualitative research approach, to investigate how trade show participation affects the marketing of small firms. Their findings emphasise the importance of this promotional tool for business to business marketers:

- in building and strengthening relations

- in acquiring new market knowledge and competitive intelligence; and in finding new customers and markets.

In addition Hills and La Forge (1992) and Morris et al. (2002) argue that to advance research at the Marketing/Entrepreneurship Interface it is necessary to develop, adopt and apply robust theories and concepts that are representative of the social environment in which entrepreneurial marketing activities occur. Networks and networking are important entrepreneurial marketing tools, which should be considered in greater detail by future Interface research.

Particular to marketing, Interface research has argued that personal networks can impact positively on the marketing effectiveness of entrepreneurial firms. For example, Hill *et al.* (1997) note that networks provide entrepreneurs with their really only stable source of accurate information and dependable guidance considering the twists and turns of an often turbulent environment. Empirical research concurs that when used entrepreneurially, personal contact networks can produce marketing benefits for entrepreneurial firms. Such networks have been found to assist in the development of entrepreneurial firms by assisting them in the development of their marketing strategy and the implementation of most components of their marketing mix. For example, personal networks have been found to provide entrepreneurial firms with reliable information about customers and competitors as well as advice about pricing strategies, recruitment, location and distribution (O'Donnell and Cummins, 1999; Shaw, 1998).

Applied to entrepreneurship, the restricted resource base and limited time available to entrepreneurs dictate that when engaging in networking activities, they will assess such activities and seek only to engage in those relationships which produce greatest benefits for themselves and/or their organisations (Shaw, 1999). Whether SMEs behave entrepreneurially through effectual networks to create new markets or merely conduct research to exploit predictable markets (the casual process) is yet to be explored (Roach, 2011).

In business to business marketing and organisational theory, suppliers as organisations are viewed as networks of internal and external contacts although this is not the mainstream paradigm. Network is a rare word in general marketing management textbooks, most of them being founded on a consumer goods paradigm, but networks may be hidden under other labels. In consumer behaviour, consumers are also analysed in the context of culture, opinion leaders, mavens, reference groups and word of mouth. But the focus is not specifically on relationships, networks and interaction. Consumer networks form our lives as citizens where we relate to family, friends, acquaintances and colleagues at work as well as to social, cultural, political, religious and ethnic belonging and the lifestyles that this environment gives rise to. Consumers are surrounded by commercial relationships by purchasing from numerous suppliers and they assume many roles, among them buyer, payer, user, family member, and shareholder. Even if the basic ideas of networks have been applied to certain marketing situations, the potential of network theory has not been exploited very far in relation to business to business high technology SMEs (Gummesson and Polese, 2009).

The relationship marketing literature recognises the value of customer and stakeholder networks (Christopher *et al.*, 1995; Grönroos, 1982; Hunt and Morgan, 1994; Payne, 2006). Successful entrepreneurs recognise the value of building long-term relationships and spend considerable time with customers and in networking (Stokes, 2000). Gilmore (2011), Hill (2001) and Jones, et al. (2013b) discovered that SME owner-manager networks existed in various guises, including: personal contact networks, social networks, business networks, inter-firm networks and marketing networks. Such networks are unlikely, however, to compete with large firms who have the resources and strategic management capabilities to conceive and to develop future new core competencies. Smaller firm networks are rarely equipped for the long-term planning process (Shrader *et al.*, 1989) and therefore the likelihood is that small firms will often operate in niche markets that are not served by large firms (Carson, 1985; Christensen, 1997; Eden *et al.*, 1997).

The above literature highlights that networks are extremely important for gaining market intelligence via their own networks and networking to help SMEs in particular develop and grow their business. However, there is no concrete method of how 'networking' should be done or how market intelligence should be gathered. The findings by Hills and La Forge (1992), Shaw (1999), Gilmore *et al.* (2001), Morris et al. (2002), Gilmore (2011) and Jones, et al. (2013b), demonstrate that when used entrepreneurially, networks can have an impact upon the marketing effectiveness of small firms.

2.2.4 <u>Towards a service-orientated approach</u>

Service-Dominant logic represents a new perspective on marketing, and significantly redefines value and customer satisfaction. One of the most significant interactions of marketing and entrepreneurship is opportunity recognition and the consequent organisational development to exploit these opportunities. Understanding value from the S-D logic perspective will increase the ability to effectively generate successful new ventures and corporate entrepreneurship initiatives (Kasouf *et al.* 2008).

S-D logic was proposed by Vargo and Lusch (2004) as a novel lens, proposing a new perspective of the world, markedly different from the traditional goods-dominant view. Though S-D logic may not claim to be a new insight into the nature of service (Sharma *et al.*, 2002; Vargo and Lusch, 2004; Bolton, 2004), the proposal provides a service perspective which places emphasis upon value outcomes realised with customers, instead of the processes or act of provision to customers in exchange for a price (Vargo, 2011).

The initial public unveiling of the S-D logic labelling of the "new" logic was at the Otago Forum (2005) on S-D logic, in New Zealand. Not long thereafter, the publishing of a collection of original essays by 51 marketing scholars in 2006, the paper titled 'Service-Dominant Logic of Marketing: Dialog, Debate, and Directions' (Lusch and Vargo, 2006), resulted in the S-D logic label becoming more prominent. More recently, academic literature has proposed the concept of service as value co-creation where the customer and the firm are jointly

involved in co-creating value-in-use within a service system (Vargo *et al.*, 2008; Payne *et al.*, 2008; Ng *et al.*, 2012). This stream of literature proposes that value of an offering is achieved in-use, rather than at exchange. By proposing S-D logic, Vargo and Lusch (2004) suggest that the firms' offering is merely a proposition for the customer to realise at point of use.

Service is the fundamental basis of exchange. Note that it is "service" and not "services" as opposed to goods; goods are merely distribution mechanisms of service (Gummesson and Polese, 2009). In support of a dissolution of the routinely claimed goods/services divide, two articles have shown that the four properties on which the uniqueness of services allegedly rest – intangibility, heterogeneity, inseparability, perishability – fall apart even in a modest examination (Lovelock and Gummesson, 2004; Vargo and Lusch, 2004). Both businesses and customers act as opposed to the mainstream marketing idea that suppliers do things to customers who just react; the customer is always a co-creator of value. A supplier can only offer a value proposition on the market; the value actualisation is performed by users in an idiosyncratic and contextual way. The network aspect is implicit through the statement that all social and economic actors are resource integrators, implying that value creation takes place through interaction in complex networks (Gummesson and Polese, 2009).

Michel *et al.* (2008) discuss three distinct customer roles in the value-creation process, from an S-D logic perspective: users, "payers" and buyers, whether individual or organisational. Whereas the user's role primarily relates to value-in-use and the payer's primarily to value-in-exchange, the buyer's role bridges the two. In some contexts, all three roles are performed by the same person, in others; they are played by different individuals. From the S-D logic perspective, innovative value propositions can change one or more of the customer roles. A case in point as suggested by Kowalkowski (2011) is the Metro, a newspaper distributed free to travellers on public transport in major cities across Europe, the Americas and Asia. It has modified all three customer roles: how readers use a newspaper (a collection of short items designed for a 20-minute read), how they pay for the service (free), and how they obtain it (by self-service from distribution racks at the transport hubs). In general, if the key role of the payer is

to be gatekeeper, decider, major influencer or some combination of the three, it is more likely that he or she will be inclined to adopt the value-in-exchange criteria when making buying decisions.

According to S-D logic, any marketing exchange involves at least two "evaluators", whose value perspectives become linked together as a reciprocal value proposition (Ballantyne and Varey, 2006). Therefore it requires that the provider does not pre-define the nominal and potential real value of offerings, but rather establishes them through interactions with the customer in the dynamic buying-and-selling process. Furthermore, the initiator role can attach to both provider and customer (Kowalkowski, 2011).

However O'Shaughnessy and O'Shaughnessy (2011), argue that S-D logic is a backward step for the marketing discipline. More specifically, they suggest that S-D logic:

[...] is neither logically sound nor a perspective to displace others in marketing (p. 784), reflects an "[...] indifference to theoretical considerations" (p. 784), has had a "considerable impact among marketing scholars, particularly in the USA" (p. 785), and its promotion "as the single best perspective for marketing is regressive" (p. 785), represents a "wrong-headed advocacy of technology at the expense of explanatory theory" (p. 791).

S-D logic suggests that it provides a service perspective which places emphasis upon value outcomes realised with customers, instead of the processes or act of provision to customers in exchange for a price, therefore the focus of marketing has shifted more towards the relationship with the customer and listening to what the customer says, rather than just producing a product and hoping it is what the customer wants.

2.2.5 <u>Summary of Overlapping Literature</u>

The literature above looked at how marketing has changed over the years and how the shift in the way in which researchers think 'what marketing is' has been

reflected in the research that has been undertaken. What is prevalent in the previous literature is that the focus is most predominately on larger businesses and not so much on SMEs. It also shows that there is yet to be any trialled and tested marketing models that address the combination of the above theories.

There is an overwhelming consensus that business to business marketing involves relationship marketing, networking and moves towards a more service-dominated approach. This shows that even though there is a large amount of research into the different areas there is a large overlap and recurring theories.

2.3 <u>The complexity in marketing theory – how business really works</u>

This next section will look at the complexity of SMEs and the literature that has been published, or more specifically, the lack of literature. It will look at how the interconnectedness of this and the literature above creates a much more in-depth picture of how marketing in SMEs and most particularly high technology based SMEs should be undertaken. It will also look to any areas of research that are lacking thorough and practice-based application. Figure 2.2 takes into account Figure 2.1, Table 2.1 and the multitude of overlapping literature and research that have been covered in basic marketing theory and then maps it with the more intricate areas of literature that fall under high technology, SME, Business to business marketing that will be covered below.

Figure 2.2 also takes into account the literature on Entrepreneurs (Section 2.6) and Entrepreneurial Marketing (Section 2.5) as these are pertinent to SMEs and the way in which entrepreneurs or owner-managers operate within these businesses. The characteristics of SMEs may be determined by the inherent characteristics of the entrepreneur or owner-manager; and they may be determined by the size and development lifecycle of the business. Such limitations can be summarised as: limited resources (finance, time, marketing knowledge); lack of specialist expertise (generalist vs. specialist); and limited impact in the marketplace (Gilmore *et al.,* 2001). Moreover in addition to this, the complexity of marketing and most specifically in SMEs is added to by the fact that the marketing is haphazard and informal due to the very nature of the

way the owner-manager does business – making decisions on their own whilst responding efficiently to current opportunities. It also incorporates contemporary marketing methods (Section 2.4) as this looks at some of the methods SMEs might utilise to go to market in today's world of the more connected and consumer-oriented business to business buyer.
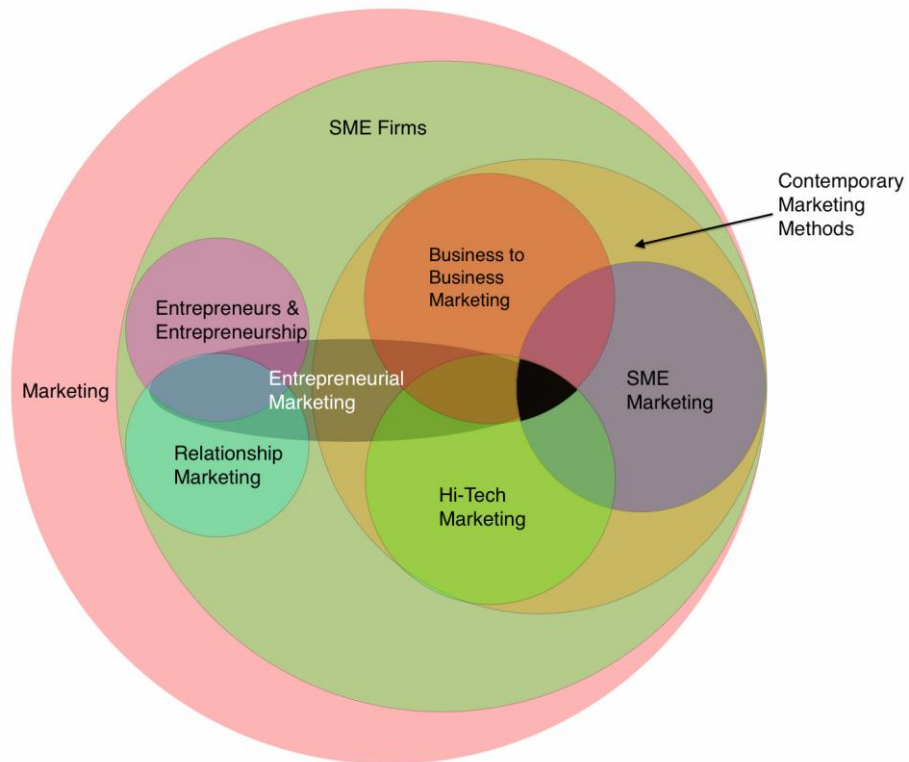

Figure 2.2: Relationship of literature showing complexity of marketing theory.

2.3.1 <u>SME firms and how they operate</u>

The development of strategy within SMEs and by small firm entrepreneurs has often been portrayed as limited, and operations managed on a day-to-day, firefighting basis. This rather static and black box view does not allow for the learning process that takes place as entrepreneurs, merely from the learning process, modify behaviour and develop strategy. This process happens rapidly, entrepreneurs learn to adjust, take decisions and develop a strategy that may

not match preconceived notions of business planning (Deakins and Freel, 1998).

Research has long recognised entrepreneurial SMEs as a major engine of economic growth (Henderson and Weiler, 2010). Understanding the factors behind growth has a broad economic and policy relevance, especially because growth-oriented enterprises are an important source of job creation and revenue generation in market economies (Parker, 2004; Valliere, 2006). Nevertheless, the growth of SMEs is still one of the unsolved puzzles in management and business research (Davidsson *et al.,* 2005; Clarysse *et al.*, 2011). In order to overcome existing "liabilities of smallness or newness" (e.g. Aldrich and Auster, 1986; Brüderl and Schüßler, 1990), and to be able to compete successfully in the market, firms need to grow, at least to some extent (Garnsey, 1998). Accordingly, firm growth has become the major indicator for overall business success within entrepreneurship research (Carton and Hofer, 2006).

It has been suggested that entrepreneurial companies have specific and essential characteristics which distinguish them from traditional companies:
- performance of R&D activities;
- technology commercialisation;
- organisational flexibility;
- focus on market needs;
- specialisation;
- integration of existing knowledge and experiences;
- ability to reshape industry standards;
- integration of different aspects of innovation;
- investment into production and commercial processes;
- investment in employees' training and development;
- concentration on knowledge sharing;
- innovative information transfer;
- emphasis on environmental and social problems. (Kavaliauskė, *et al.,* 2012)

Entrepreneurial small firms have redefined the way business is done (Burns, 2005; Bjerke and Hultman, 2002; Carter and Jones-Evans, 2000). It is a business model that challenges many traditional economic assumptions: out goes the need to "own" the resources of production in favour of a need to "own" knowledge about production (Bjerke and Hultman, 2002), and customer centricity has been challenged (Morrish *et al.*, 2010).

In the SME field, owner-managers and entrepreneurs are frequently cited as having identifiable characteristics (Stokes, 1998). All owner managers are not entrepreneurs, however, and entrepreneurs may exist in much larger organisations. Stokes also notes that researchers (Kets de Vries, 1985; Chell *et al.,,* 1991) have tried to identify both single important traits and clusters of characteristics which define the entrepreneur (Mador, 2000).

The literature that has been discussed above shows that SMEs are very important to the economy and that they differ in the way they operate compared to traditional organisations. However, there is limited literature looking at the way SMEs operate, and much less in-depth embedded research.

2.3.2 **The issues of marketing within SMEs**

The study of marketing in SMEs has been recognised as a problematic area for researchers for over 20 years (Chaston and Mangles, 2002; Siu and Kirby, 1998). SME marketing in practice is thought to be largely done though networking (Gilmore *et al.*, 2001) or a combination of transaction, relationship, interaction and network marketing (Brodie *et al.*, 1997).

SMEs do not conform to the conventional marketing characteristics of marketing textbook theories; instead their marketing is characterised by the limitations outlined previously (Gilmore *et al.*, 2001). Thus SME marketing is likely to be haphazard, informal, loose, unstructured, spontaneous, reactive, built upon and conforming to industry norms.

SME marketing is haphazard and informal because of the way an owner-manager does business; they make most of the decisions on their own, respond to current opportunities and circumstances and so decision making occurs in a haphazard and apparently chaotic way, according to personal and business priorities at any given point in time (Scase and Goffee, 1980).

Research on small businesses and their marketing activities has been largely limited to explanations of certain types of behaviour observed in small businesses (Hannon and Atherton, 1998; Smith and Whittaker, 1998; Huang and Brown, 1999), or on the search for factors that are missing or present barriers in smaller businesses, accounting for their apparent inability to apply or use marketing ideas and concepts that were often developed for larger businesses (Barber *et al.*, 1989; O'Brien, 1998; Freel, 2000). Theory development in SME research seems to be somewhat limited in general. The work that has been done is more applied in nature, taking the form of prescriptive or descriptive frameworks and "models", on how to apply certain business and management theories to the smaller business (e.g. Carson, 1990; Brooksbank, 1996; Valos and Baker, 1996; Brooksbank, 1999). Work specifically on marketing models in SMEs has resulted in six interlocking exploratory and qualitative models (Carson, 1990), which can be seen in Figure 2.3. Some authors are investigating the applicability of alternative paradigms based on creativity, semiotics and art and employing alternative methodologies such as biography (Fillis, 2002).

Limitations

Crisis
planning

Situation
Specific

Marketing
Planning

Adaption of
marketing
theories

Levels of
marketing
activity

Stage of
marketing
development

Figure 2.3: Interlocking Network of Models (Carson, 1990)

Hannon and Atherton (1998) suggested a matrix relating strategic awareness to planning effectiveness; however, none of these models resemble the role and relevance model since they do not tackle the same variables and dimensions of marketing. These frameworks and "models" all make intrinsic sense of the situation in SMEs and other organisations. However, these frameworks and models are not, to our knowledge, "proven" or tested in any formal way and so could be regarded as descriptive in nature.

The vast majority of business enterprises in the world are SMEs (European Commission, 2003; Small Business Administration, 2009). By looking at SME marketing we can then collectively speak to and represent this vast majority. Carson (1990) noted the path that services marketing took to eventually break into mainstream marketing. It started as a niche/fringe sub-field but eventually became a dominant part of marketing because, as he suggested, 80% of business is service. That is too big to ignore. Likewise, small business represents an even larger portion of business and therefore should not be ignored (Hansen *et al.*, 2010).

The marketing function in SMEs is hindered by constraints such as poor cash flow, lack of marketing expertise, business size, tactical customer-related problems, and strategic customer-related problems (Doole *et al.*, 2006; Chaston, 1998; Carson, 1985). Yet, despite such restrictions, SMEs successfully use marketing to generate sales (Guersen, 1997; Romano and Ratnatunga, 1995).

In terms of SME innovative marketing activities and practices, customer and market orientation are founded on predicting and forecasting customer and market needs. Customer focus is a central element of prediction for SMEs, given its ability to maximise customer intelligence to predict and then satisfy customer needs profitably (Narver *et al.*, 2004; Martins and Terblanche, 2003). The significance of prediction is reflected in SME vision, in the articulation of a future-oriented strategic vision for the business (Johne, 1999; Ahmed, 1998; Kuczmarski, 1996). An SME strategic vision that is market-centred focuses on market intelligence to anticipate conditions and identify marketing activities and practices for future that will help maximise efficiency, effectiveness and profitability (Johannessen *et al.*, 2001; Cummins *et al.*, 2000; Kleindl *et al.*, 1996). This process of prediction in SME innovative marketing refers to the act of forecasting, anticipating or calculating for the purposes of marketing activities and practices. (O'Dwyer *et al.*, 2009)

All of the above literature highlights the value of seeking to understand innovative marketing as practised by SMEs. Despite the significance of marketing and innovation to SMEs, Simmonds (1985), Hills and LaForge (1992) and Gilmore *et al.* (2001); O'Dwyer *et al.* (2009); Gilmore (2011) note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of innovative marketing theory relevant for SMEs. Eggers' presentation on literature clusters of research that used either the marketing/entrepreneurship "interface" or had both "marketing" and "entrepreneurship" in titles, abstracts or keywords suggests that there is a foundation of research for SME marketing upon which to build. Beyond that, there is tremendous practical significance to researching small business or SME marketing (Hansen *et al.*, 2010).

2.3.3 <u>What marketing do high technology firms need?</u>

High-tech firms can be characterised by their high level of technological and market uncertainty and volatility (Mohr, 2001) and the increasing difficulties faced by these firms in sustaining competitive advantage through their unique technologies (Roberts, 1992; Davis *et al.*, 2001), or through their unique products or services.

Pollard and Simberova (2012) suggest that high-tech firms are most frequently established by individuals or groups, who possess a high level of technical expertise and who, in their business activities, rely mainly on the development of new products, innovation, highly skilled employees, their trust in new products and their ability to identify gaps in the marketplace (Murphy and Ledwith, 2007). High-tech firms typically have long lead times for research and development and application to industrial applications and short lead times for commercialisation, thus leading both to comparatively high development costs, short product life cycles and the need for successive innovations (Grinstein and Goldman 2006; Oakey and Mukhtar, 1999). However, technological goals, it can be argued, can only be transformed into competitive advantage through effective marketing as part of the firm's inherent capabilities. High-tech firms operate in a complex environment, for which sophisticated marketing skills are required – yet often their marketing competences and their ability to assess customer needs, for example, are under-developed (Sarin and Mohr, 2008).

The software industry is viewed as a high-tech sector in which there is a high level of innovation; small firms play an important role in the economy serving as agents of change by their entrepreneurial activity, being the source of considerable innovative activity, stimulating industry evolution and creating an important share of the newly- generated jobs (Acs and Audretsch, 1990; Audretsch, 1995). The position of marketing in high-technology firms and the development of their inherent marketing expertise have been the subject of an increasing corpus of research output over the past two decades (Traynor and Traynor, 2004; Davis *et al.*, 2001), although the marketing approaches of high-

tech firms and their marketing orientation has been relatively ignored by commentators (Traynor and Traynor, 2004).

The importance of marketing, it has been argued, lies in its contribution to creating and appropriating value from products and/or services (Mizik and Jacobson, 2003), however the role of marketing in high-tech companies may be limited by a concentration on developing technological knowledge as opposed to developing marketing knowledge, and on innovation as opposed to market orientation (Workman, 1993). Research relating to the organisation of marketing activities within high-tech firms suggests that various models of marketing operations have been utilised by these organisations, depending on, for example, the newness of the company. In the case of new businesses, the presence of marketing competence, although desirable, is often not present in high-tech firms; such new businesses may have to depend on outside sources of marketing competence (Roberts, 1992), for example, through consultants or professional marketing firms.

Pollard and Simberova (2012) suggest a further feature of new high-tech firms is the commonly held confusion between marketing and sales/distribution. Whereas both these latter functions are important, it is necessary for new high-tech firms to widen their perspectives to include the many other activities that are important in developing a market presence. The development of a specialist marketing function is more likely as firms expand in terms of their scope and scale of operations. The presence of a marketing function does not in itself necessarily give rise to an increase in organisational performance; this depends to a great deal on how the marketing resources are marshalled in combination with other corporate resources.

Dutta *et al.* (1999) suggest that high-tech firms often fail to provide adequate resources or support for marketing, reducing its effectiveness in making a contribution to the firm's success. Various commentators have addressed the difficulties that can face organisations in integrating their R&D and marketing capabilities.

It could be argued that many small software companies seem to perceive marketing mix management as the 'true' way of doing marketing. They do not consider the development of their present long-term customer relationships as 'marketing'. According to Sarin and Mohr (2008) high technology firms' interactions with their customers are complex and/or unfocussed. Often this is due to the fact that customers find articulation of their needs complex owing to the technology and as a result, high-tech companies find it difficult to develop a competency in working with customers (Roberts, 1992) and are thus perhaps losing opportunities to gather market intelligence for product development (Reid, de Brentan, 2004), as well as the provision of after-sales support.

The management of a software company may believe that it is facing a completely new phenomenon, requiring the adoption of more 'professional' marketing techniques such as the 4Ps. Some recent academic contributions that argue that the marketing mix approach is best suited for acquiring new customers and that relationship marketing is best for the retention of existing customers might even give theoretical support to this idea (Mannermaa *et al.*, 2000). As Oakey (1991) suggests, marketing is seen by some high-tech small firms as a mere 'bolt-on' activity or as a 'necessary evil'. If the firm is to survive and even grow, the role of marketing should be given appropriate attention by senior management.

Just as any other firm, high-tech small firms develop their marketing strategy as part of their corporate strategy, which is designed by the executive management to match the identified aims and resources with market opportunities (Pollard and Simberova, 2012). Specific characteristics of high-technology businesses, however, lead them to also use other tools when developing their strategies. The development and definition of a mission is not marked by anything different or special, but the identification of strategic sectors (segments) is far more important and, from the strategy development point of view, great attention needs to be paid to the evaluation of the firm from the point of view of the contribution of their technologies and their positioning according to the technology's life cycle, linking technology with customer needs and customer groups.

The extant literature shows that it is clear that many new high technology firms start without much marketing expertise unless the founder possesses some marketing experience. Marketing can be outsourced by new companies but at some risk. The key management implications are that the role of marketing and its association with the product command attention in all high-tech businesses but the format of the marketing process may differ (Pollard and Simberova, 2012). Even with the development of a marketing capability, a significant challenge for management is to integrate this marketing capability with other organisational capabilities (R&D, new product development, strategic planning, etc.) in order to both maintain and sustain a competitive advantage. In high-tech small firms in particular, the marshalling of tacit resources such as integration and know-how are key factors in sustaining an advantage in the marketplace.

2.3.3.1 High Technology Based Small Business Marketing

The IT industry in the UK comprises a mixture of businesses of different sizes, so a study of the marketing experience, perceptions and activities in this sector provides an opportunity to consider whether marketing differences are dependent on firm size. Much of the earlier research on marketing in small businesses has suggested that conventional marketing theory and practice, developed mostly with reference to large firms is not applicable to small firms, but there have been few direct comparative studies (Jones and Rowley, 2009a).

The importance of high technology small business to knowledge-based economies has led to significant research in this area. Research has embraced the following topics:
- policy for promoting technology firms (Dodgson and Rothwell, 1988; Rothwell and Dodgson, 1990);
- the role of small technology firms in regional development (Keeble, 1989, Keeble and Kelly, 1988);
- marketing and new product development (Avlonitis *et al.*, 1994; Craig and Hart, 1992; Gardiner and Rothwell, 1985; Saren, 1984);

- technology strategy and entrepreneurship (Berry, 1996);
- industrial co-operation (Dodgson, 1993; Hakaanson, 1987)

However, very little attention has been directed towards marketing of high technology based small businesses. A couple of notable exceptions are the contribution from Boussouara and Deakins (1999) and Jones, et al., (2013a). They found that small hi-tech businesses associated marketing primarily with dealing with customers, developing products and developing new markets. They also concluded that traditional marketing tools are inappropriate, whilst the social networks of entrepreneurs and strategic alliances are wholly appropriate to this business context.

From a high technology based small business point of view, two major marketing challenges are able to be derived from pre-existing literature. There is the challenge to have a large enough customer base, i.e. market, for the developed component. The other major marketing challenge for high technology based small businesses is to distinguish between product and service marketing logic: high technology based small business is, by nature, product marketing, but on the other hand, practical experiences have shown that the problems that should be solved before the real growth of high technology based small business need relationship marketing and customer relationship management skills are more characteristic of service-oriented project marketing (Helander, *et al.*, 2002).

Brennan *et al.*, (2007) discuss the inter-relationship between consumer relations and network theory approaches in securing an effective supply chain strategy. The value of networks is firmly established within business to business theory (Gummesson and Polese, 2009). Customer relationships, supplier relationships and other agencies such as government agencies, universities, banks and other institutions are seen as influential to the firms' activities, connecting to a wider network where the firm remains embedded (Cook and Emerson, 1978; Granovetter, 1985).

For the marketing of such products and services, those companies marketing to other business rather than to consumers are more likely to adopt a consultative sales approach (Marchetti, 2000), identifying the gate keeper in the buying organisation to uncover their requirements. The other main strand of previous research that informs this study is that of small business or entrepreneurial marketing. McCartan-Quinn and Carson (2003) define a small firm as an independent owner-managed business organisation of limited significance within the industry, employing less than one hundred employees, where the owner-manager's omnipresence creates a highly personalised management style. Small businesses are known to share specific marketing problems, tending to have a narrow customer base, limited scope and impact of marketing activities, variable and unplanned effort, and over-reliance on the owner-manager's marketing competency (Carson, 1985; Hall, 1995; Scholhammer and Kuriloff, 1979). Instead of adhering to "traditional" marketing models, small businesses seek advantage, innovation, competitiveness and greater competencies through networks (Carson *et al.*, 1995; McCartan-Quinn and Carson, 2003; Schindehutte and Morris, 2001).

2.3.4 <u>Summary of Complexity with Marketing Literature</u>

It can be seen above that there is a lack of literature pertaining to marketing in high technology based small businesses. There are a number of reasons that there is limited literature, such as the inability to get close to the inner workings of the business; becoming fully emerged within a business; the willingness of entrepreneurs or owner-managers to completely open up and be free with their business. This limited research enhances the need for further research into high technology based small businesses and how marketing is done, or more importantly should be done as part of the growth strategies of the business.

2.4 <u>Contemporary Marketing Methods</u>

This next section of literature will look at some of the contemporary marketing methods that could be used innovatively within a high technology based small business. It will look at co-creation, digital marketing and social media

marketing, all of which are relatively new concepts in the realm of marketing and little academic research has been carried out within these fields and most especially within the context of high technology based small businesses.

The traditional marketing paradigms such as the 4Ps are not effective in the responsive, opportunity driven world of high technology businesses of today. This section looks at practical methods rather than theoretical literature as it has been shown in the above literature that is it important that high technology based small businesses market in a very different way to larger enterprises and because of this, more contemporary marketing methods need to be employed.

2.4.1 Co-creation of value

As discussed previously in section 2.2.4 a central element of S-D logic is co-creation which is defined as "the process of involving the customer in value creation activities" (Kasouf *et al.*, 2008). The concept of co-creation has a rich history in innovation literature and involving customers in value creation can be seen in the work of Von Hippel (1986), Normann and Ramirez (1993); Oliver *et al.* (1998); and Franke *et al.* (2006). For example, customer involvement in the creation of a customised value proposition is the foundation of the success of marketers from "Build a Bear" to Apple's iPod (Leavy and Moitra, 2006). The co-creation process has even been used for high-tech, high cost consumer durables such as in the development of Volvo's XC90 SUV (Dahlsten, 2004).

Companies can no longer act autonomously, designing products, developing production processes, crafting marketing messages and controlling sales channels with little or no interference from customers (Prahalad and Ramaswamy, 2004). Customers now seek to exercise their influence in every part of the business system. Armed with new tools and dissatisfied with available choices, customers want to interact with firms and thereby co-create value. The use of interaction as a basis for co-creation is at the crux of our emerging reality.

So far, the customers-as-innovators approach has started to emerge in the business to business field, but numerous signs indicate that it is also spreading to the business to consumer arena. Many companies already offer so-called 'product configurators' that enable consumers to obtain a mass-customised version of a standard product (Thomke and Von Hipple, 2002). Dell customers, for example, can select various components (a disk drive, monitor, memory modules and so on) from a menu to assemble the computer best-suited to their needs. Although these styles of product configurators are currently limited in what they can do (for one thing, they do not allow a user to try out a design, either through a prototype or a computer simulation), future versions could approach the functionality of true customer tool kits and allow for radically new innovations. Producers of information products, especially software, will perhaps feel the biggest impact. Companies like Microsoft have long relied on customers to beta-test new products (Thomke and Von Hipple, 2002).

Von Hippel (1988) found that lead users initially spark the majority of significant product innovations in many industries and later refined by companies. This means that while companies have traditionally looked to their own labs or to partners for ideas, an equally important source of innovation can be their relationships with their own customers. With the emergence of online communities, the opportunities for customers to collaborate with one another and with companies have increased enormously. Companies are finding ways to tap into these customer insights, but this means that innovations that once flowed through business to business channels now percolate out of communities that involve both customers and firms.

When the interaction continues, bonds will emerge between the actors involved because the two parties receive meaning and mutual interpretations of what is going on. These actor bonds are phenomena such as personal sentiments, trust, commitment and identity. (Hultman, 1999)

The need for co-creation mentioned above shows that business to business organisations need to work with their customers, not just making a product or service they think the customer wants. The advent of the prosumer is much

more prominent in today's business to business environment; therefore the need for interaction with the customers is much more prevalent. The next section will look at how digital marketing has influenced business to business organisations.

2.4.2 <u>Influence of the Internet on marketing methods</u>

Many academics and practitioners have emphasised that the internet is a major platform for digital marketing to deal with marketing mixes, which include global accessibility (Laudon and Laudon, 2002), convenience in updating (Sandeep and Singh, 2005), real-time information services (Harridge-March, 2004), interactive communications features (Chaffey, 2004), and unique customisation and personalised capabilities (Teo and Tan, 2002). Additionally, digital marketing also refers to the use of electronic methods or media to build upon and maintain customer relationships through electronic platforms (e.g. business to business e-marketplaces) that facilitate the exchange of ideas, products, and services to satisfy both buyers and sellers (Ngai, 2003). Strauss and Frost (2001) support the above statement and suggested that sales, public relations, direct marketing, and advertising are marketing communication that comprises the crucial components of digital marketing strategy. With the advent of internet technology, the traditional marketing frameworks are redesigned and supported by electronic technologies to create innovative marketing models (Chaffey, 2004).

Most recently Hulbert and Harrigan (2011) produced a paper, which looks as the way in which technology is revolutionising marketing more than ever, particularly in data management and communications. They have noted how the Internet has given new impetus to direct marketing approaches and delivered 'power' into the hands of the consumer through approaches like mobile marketing and online social networking. Tools like Facebook and Twitter, for example, have revolutionised the whole notion of customer engagement (Verhoef et al., 2010).

The notion of the 'value proposition' is also a key one where organisations and customers become co-producers of mutual value (Verhoef et al., 2010). We contend that more research is required on developing and delivery of value propositions, where relatively little is known about how customers engage in the co-creation of value (Payne et al., 2008).

Prior literature on marketing communications emphasizes the importance of communication with customers and the role of value in marketing (Verhoef et al., 2010; Anderson et al., 2006; Payne et al., 2008). However, more research is required on defining 'value' and on how organisations now engage with customers (and vice versa) across new interactive media.

Business to business marketers have been slower to adapt to digital marketing than their business to consumer cousins (Miller, 2012). This could be because of limited budgets, cautiousness, inherent sluggish tendencies or even real market reasons. However, this is starting to change. The caution period seems to have ended and business to business companies are now embracing digital marketing. Furthermore, SMEs have been experiencing difficulties in implementing digital marketing due to the lack of specialists in digital marketing, resulting in difficulties in responding to competitive threats. Whilst the above authors have made a significant contribution to knowledge in the area, a clear and comprehensive picture of digital marketing adoption would be instrumental in providing a road map for the same. Many practitioners and academics (Laudon and Laudon, 2002; Stockdale and Standing, 2004; Gilmore *et al.*, 2007) have suggested that most organisations, especially SMEs, are uncertain about whether they have sufficient resources, expertise, or experiences to use the internet and digital marketing as their marketing tool.

One of the most vivid implications of business to business digital marketing for SMEs is the potential for external communication and information gathering for market and product research (O'Reily and Finnegan, 2007). Although the breadth of activities pursued in the digital marketing field is limited at present, the continued growth of digital marketing will enable SMEs to engage in currently under-utilised applications. SMEs need to perceive that benefits of

business to business digital marketing will outweigh the costs of marketing (Chong *et al.*, 2010).

Looking at all of the above literature, it can be seen that even though business to business organisations have been slow to adopt digital marketing, there is now an influx of research showing the benefits. Digital marketing needs to be used by all businesses to ensure their reach to customers is large and the ease of two-way communication can continue.

2.4.3 <u>Use of social media</u>

Today, the way that Internet users communicate, search for and share information is highly influenced by the use of social networks (Swamynathan *et al.*, 2008). Paterson (2009) suggests that customer knowledge can be regarded as a vital asset for both online and offline business. He further claims that a close relationship between company and customer can create a positive influence on their information interaction. Wright and Hinson (2008) also claim that social media has a big potential impact on public relations and especially that it has the potential to change the way that companies communicate with their customers. However, the way in which social media affects the customer relationship is still not well understood.

Social media comprises both the conduits and the content disseminated through interactions between individuals and organisations (Kietzman *et al.*, 2011). However, it is overwhelmingly the product of consumers. Web 2.0 technologies transform broadcast media monologues (one too many) into social media dialogues (many to many). Social media is the product of Internet-based applications that build on the technological foundations of Web 2.0. On the conduit side, social media comprises an array of channels through which interaction between individuals and entities, such as organisations, is facilitated and disseminated. Typically, social media is highly accessible (easy to get to) and scalable (can be used to reach large numbers) (Brogan, 2010).

With the worldwide explosion of social media usage, businesses are feeling extreme pressure to engage where their customers are paying attention (Baird and Parasnis, 2011). Today, this hub of customer activity is increasingly virtual, located inside a social media or social networking site. Consider the speed at which social media is being adopted by consumers and businesses alike. Clearly, this is where customers are congregating and businesses want to be. Social media holds enormous potential for companies to get closer to customers and, by doing so, facilitate increased revenue, cost reduction and efficiencies.

However, using social media as a channel for customer engagement raises interesting challenges for traditional CRM approaches. CRM strategy, enabled by processes and technologies, is designed to manage customer relationships as a means for extracting the greatest value from customers over the lifetime of the relationship. These strategies typically concentrate on the operational responses required to manage the customer. With social media, though, companies are no longer in control of the relationship. Instead, customers and their highly influential virtual networks are now driving the conversation, which can trump a company's marketing, sales and service efforts with their unprecedented immediacy and reach.

2.4.4 <u>Summary of Contemporary Marketing Methods Literature</u>

As with co-creation and digital marketing, social media marketing is another contemporary marketing method that is slowly being adopted by business to business organisations to help with the flow of communications to and from customers. It helps to not only market to the customer, but also to listen to what the customer wants. All three of these contemporary marketing methods show that it is not just a one-way flow of information anymore; marketers should not solely be pushing information out and hoping that someone sees it. They should be creating a constant two-way communication, which will, in the long term, create valuable relationships in terms of not only sales, but value, trust and innovation.

2.5 <u>Entrepreneurial Marketing</u>

The marketing/entrepreneurship interface has developed a substantial body of literature over the last decade. Marketing has much to offer the study of entrepreneurship (Murray, 1981; Hills, 1987) and likewise entrepreneurship can look to marketing as the key function within the firm, which can encompass innovation and creativity. The following section will look at how entrepreneurial marketing brings together all of the previously studied literature and show how it has been combined into one paradigm.

Hills *et al.*, (2008) recently investigated the evolution and development of this interface and found that indeed, marketing among entrepreneurs deviates from mainstream marketing. Carson (1993) describes entrepreneurial marketing as the "experience, knowledge, communication abilities and judgment of the owner-manager, key competencies on which marketing effectiveness depends".

Maritz (2008) suggests that a definition of entrepreneurial marketing is "the pro-active identification and exploitation of opportunities for acquiring and retaining appropriate stakeholders through innovative approaches to risk management, resource leveraging and value creation". In other words, just like all entrepreneurial organisations, entrepreneurial marketing organisations are those that demonstrate proactive opportunity evaluation (Shane and Venkataraman, 2000), risk management and taking, resource leveraging, and value creation (Maritz and Nieman, 2008).

The term entrepreneurial marketing has been used in various ways, and often somewhat loosely (Tyebjee *et al.*, 1983; Hultman, 1999; Stokes, 2000; Lodish *et al.*, 2001; Kotler, 2001). It has been most frequently associated with marketing activities in firms which are small and resource-constrained, and therefore must rely on creative and often unsophisticated marketing tactics that make heavy use of personal networks. Alternatively, the term has been employed to describe the unplanned, non-linear, visionary marketing actions of the entrepreneur. Leading universities, have built entrepreneurial marketing courses

around the act of market creation by high growth, high technology firms (Morris *et al.*, 2002).

Entrepreneurial organisations are most commonly recognised as being small to medium sized enterprises, however Bjerke and Hultman (2002) state that not all small firms are entrepreneurial, but they will need entrepreneurship in order to grow, and such growth can be leveraged from the small firms' advantage in marketing.

McCartan-Quinn and Carson (2003) define a small firm as an independent owner-managed business organisation of limited significance within the industry, employing less than one hundred employees, where the owner-manager's omnipresence creates a highly personalised management style. Small businesses are known to share specific marketing problems, tending to have a narrow customer base, limited scope and impact of marketing activities, variable and unplanned effort, and over-reliance on the owner-manager's marketing competency (Carson, 1985; Hall, 1995; Scholhammer and Kuriloff, 1979).

There has been some debate as to the very nature of marketing and the fit between theory and practice (see for example: Brown, 1995; Grönroos, 1997; Palmer and Ponsonby, 2002). Therefore a focus has been introduced (Carson, 1999; Hills, 1999) in order to acknowledge that while many marketing concepts and principles may be generic, there is a particular need to understand the practice of marketing—'the doing of marketing'— within the context of the owner/manager/entrepreneur (Carson and Gilmore, 1999). However, when one considers marketing as an all-pervasive way of doing business in a small- to medium-sized enterprise (SME), it becomes evident that current research offers very little by way of an investigation of the true nature of EM practice in small enterprises, in particular. Understanding what the EM practice of the small firm entails does not only provide information to the academic interest but, on a more pragmatic level, it also provides practitioners with an abstracted understanding in relation to how their disparate actions and activities come

together to create the practice of marketing in their small firm (Gross, et al., 2014)

The key actor in an entrepreneurial firm is generally the entrepreneur. His/her intellectual ability and activities are the core of the value-creation process in an entrepreneurial firm. This can be done by the entrepreneur alone, but most likely, the entrepreneur will involve other actors, individuals or organisations (Hultman, 1999). The entrepreneur is characterised by a willingness to take risks, innovate and be proactive and has the ability to make new combinations of resources (Bjerke, 1989).

Small and medium sized firms in general, and growing firms in particular, are today recognised in most countries for their importance as job creators. The reported lack of marketing knowledge about such firms (Hills, 1994); combined with the SME sector's increasing relevance to society, make the marketing/entrepreneurship interface an area of particular interest for future research. Hultman (1999) argued that much of what is to be found in contemporary Nordic marketing research, such as the conceptual models developed in service marketing, relationship marketing and industrial networks, are useful components or tools for the understanding of marketing behaviour in the interface.

Hultman (1999) also notes that marketing behaviour cannot be fully understood if the marketing mix framework is used in isolation, nor for that matter can one rely upon the relationship marketing framework alone. It is suggested that a framework is needed that integrates all types of marketing actions in order to create those transactions and actions that create long-term and valued customer relations. In some situations sales are generated from relational actions, whilst in other situations sales may be generated from very transactional-oriented actions and finally, of course, some sales are generated from a combination of actions - a perspective germane to the entrepreneurial marketing approach.

Entrepreneurial marketing is characterised by responsiveness to the marketplace and a seemingly intuitive ability to anticipate changes in customer demands. Because of this, the ability to collect that market information which is pertinent to the continued achievement of organisational goals on a regular, almost daily basis, is imperative and is an important competency for the entrepreneurial marketing manager (Collinson and Shaw, 2001). Research shows that with fewer financial resources and restrictions on the time available to engage in marketing research, entrepreneurial organisations make excellent use of the networks of relationships in which they are embedded. Specifically, relationships with buyers, suppliers and others along the supply chain which are used to identify which information, within a constantly changing environment, is relevant to their success and must be regularly collected and understood.

Bjerke and Hultman (2002) make a number of observations concerning the role of language in the entrepreneurial small firm context. They suggest that entrepreneurship is an outcome of three variables: use of language, culture and entrepreneurial capabilities, the language variable being identified as the way in which meaning at the social level is created. As suggested earlier, the importance of a "language" for marketing within the small firm has been referred to both implicitly and explicitly throughout the entrepreneurship, marketing and SME-related literature (Deacon and Harris, 2011).

If entrepreneurial marketing is recognised as the label used to describe the innovative or creative use of an organisation's resources for marketing purposes, then interface research implies that networks and the activity of networking are core to such activities (Shaw, 1999), again showing the development of marketing theory and practice. Entrepreneurial marketing broadens the definition of marketing significantly because it explicitly links operations with the marketing function and requires a deeper analysis and understanding of customer benefits and relationships (Kasouf *et al.*, 2008).

Research carried out by Morris *et al.* (2002) produced a widely recognised and studied model outlining the 7 elements of entrepreneurial marketing. This can be seen in Table 2.2. This table highlights the most common characteristics of

entrepreneurial marketing and the differences from traditional marketing, which as discussed in section 2.1, is now longer effective on its own.

Element of EM	Entrepreneurial marketing	Traditional marketing
Opportunity Driven	Envisioned, focussing on emerging and fragmented markets with a high level of turbulence.	Looking only at established, relatively stable markets.
Proactiveness	Proactive approach, leading the customer with dynamic innovation.	Reactive and adaptive approach to current market situation with incremental innovation.
Innovation-focussed	Marketing is the home of innovation; customer is co-active producer.	Marketing supports new product/service development activities of Research and Development and other technical depts.
Customer Intensity	Active participant in firm's marketing decision process, defining product, price, distribution and communications approaches.	External source of intelligence and feedback only.
Risk management	Marketing as a vehicle for calculated risk taking; emphasis on finding ways to mitigate stage or share risks.	Risk minimisation in marketing actions.
Resource Leveraging	Leveraging, creative use of the resources of others; doing more with less; actions are not constrained by resources currently controlled.	Efficient use of existing resources, scarcity mentality.
Value Creation	Sustainable competitive advantage through value-creating innovation.	Facilitation of transactions and market control.

Table 2.2: Entrepreneurial Marketing Traits – comparison between traditional and entrepreneurial marketing. Adapted from Morris *et al.* (2002).

Many of the actions undertaken by the entrepreneur are key concepts in marketing theory, which suggest that successful marketing is undertaken by firms who identify new opportunities, apply innovative techniques to bring the product/service to the marketplace and successfully meet the needs of their chosen target market.

2.5.1 <u>Summary of Entrepreneurial Marketing Literature</u>

The literature shows us that marketing's role has evolved over the last 20 years and now focuses on the co-ordination of networks and alliances. Researchers have reflected that entrepreneurship, and entrepreneurial marketing (EM) in particular, are problematic to study (Carson, 1993; Martin, 2009; Morrish et al., 2010; Zontanos and Anderson, 2004). To accomplish this seemingly immense task, one could assume that a clear understanding exists in relation to the way that entrepreneurial firms actually conduct their marketing practices. It is fair to say that marketing scholars including Borden (1964), Hawes et al. (2006), Lehmann (1997), Moller and Rajala (1999), Piercy (1986), Srivastava et al. (1999) and Wills and Hayhurst (1971) have tried to conceptualize exhaustive lists of marketing activities which can describe what marketing practice or marketing "doing" entails. Such lists include most notably activities such as marketing communication, pricing and market(ing) research and selling, segmentation, targeting, positioning, distribution and logistics. However, it can be said that in many organizations and in smaller firms especially, marketing activities reach beyond the scope of the designated marketing department and, indeed, a dedicated marketing role might not even exist (Gross, et al., 2014)

The foremost literature for entrepreneurial marketing proposed that entrepreneurial marketing is an integrative construct and should represent a different approach for the business itself, its relationship with the market place and the role of the marketing function (Hills *et al.,* 2002; Gross, et al., 2014; Gilmore, 2011; Miles, et al., 2014). However, there is limited literature as to whether this is actually happening in today's high technology based small businesses, and if it is what, if any, frameworks are being used.

2.6 <u>Entrepreneurs and Entrepreneurship</u>

The way in which entrepreneurs operate and the effect of entrepreneurship on SMEs will be the focus of this section. This literature is very important in relation to all of the research as the focus is on high technology based small businesses and these types of businesses are predominately run by entrepreneurs and we need to understand the way in which entrepreneurs think, their psychology and how entrepreneurship affects the way in which the business is run.

There are many definitions of what entrepreneurs or entrepreneurship is or should be. Below are just four of the definitions found in literature over time:-

Entrepreneurship is an endeavour that is centrally characterised by innovation (Schumpeter, 1934)*.*

An entrepreneur is an individual who takes agency and initiative; who assumes responsibility and ownership for making things happen; is both open to and able to create novelty; who manages the risks attached to the process; and who has the persistence to see things through to some identified end-point, even when faced with obstacles and difficulties (Johnson, 2001)*.*

An entrepreneur sees an opportunity which others do not fully recognise, to meet an unsatisfied demand or to radically improve the performance of an existing business. They have unquenchable self-belief that this opportunity can be made real through hard work, commitment and the adaptability to learn the lessons of the market along the way (Martin, 2010)*.*

Entrepreneurship, *the pursuit of opportunity beyond the resources you currently control*, *is now a subject with segmented interest across a wide variety of fields and topics, including new venture creation, venture capital, social ventures, business model innovation, open software, internet, corporate entrepreneurship, global business, and biotechnology* (Haas School of Business, 2013)*.*

It can be seen that even though the definitions span 80 years there is a common theme of taking high risk innovative opportunities in fields such as high technology, digital and innovation, whilst not being afraid to work hard to make these a reality.

Opportunity recognition occurs at the nexus between marketing and entrepreneurship, understanding how to recognise value-creating opportunities is a marketing capability essential for a sustained relationship with customers. As discussed in previous sections, S-D logic is an extension of the buyer-seller exchange that considers tangible goods as need-satisfying appliances (Kasouf, *et al.*, 2008).

Although the popular literature often contains many recent, high profile examples of high-tech entrepreneurs transforming markets, e.g. Bill Gates and James Dyson, the notion of technology-driven entrepreneurs and entrepreneurship is not a new phenomenon (Park, 2005). The Schumpeterian approach to growth advances the view that entrepreneurial dynamism is the key to innovation and growth. Schumpeter (1911) discussed the role of the entrepreneur in the process of economic development. He saw the entrepreneur as a creative, driven individual who finds "new combinations of factors of production" to develop a new product, corner a new market, or design a new technology. Schumpeter speculates about the psyche of the archetypal entrepreneur: he is motivated by a "dream to find a private kingdom, or dynasty… [driven by] the impulse to fight, to prove oneself superior to others, to succeed for the sake of… success itself." (Djankov and Qian, 2008)

Kirzner (1973) suggested that entrepreneurs possessed or obtained specialised knowledge and could use it to create or exploit opportunities. This is reinforced in later studies (Kaish and Gilad, 1991; Busenitz, 1996) where entrepreneurs were shown to be more active in seeking opportunity than corporate managers. Hills and Shrader (1998) and Zietsma (1999) also found that the successful entrepreneurs had high levels of entrepreneurial alertness. Timmons (1999) proposed that successful entrepreneurs have the capacity to see what others do not. Timmons (1999) cites two scientists, Edison and Einstein who between

them wrongly predicted that the nickel battery would replace gasoline and that nuclear energy would never be obtainable. This reinforces the proposition that even the most brilliant scientific minds are not always fully tuned to business opportunity.

More recent studies have recognised and measured the risk taking as an entrepreneurial quality with significant effect on technology and innovation creation and diffusion (Ndubisi *et al.*, 2005; Nasution *et al.*, 2011). For these reasons risk taking is assumed to have a significant impact on the innovation capabilities and performance of entrepreneurial high technology based firms. Moreover, Morris (1998) argues that entrepreneurs calculate their risk. Calculated risk taking is explained as an attempt on the part of the entrepreneur to find ways to mitigate, shift or share risk. Dess and Lumpkin (2005) shed light on the types of risk that entrepreneurs and entrepreneurial ventures take: business risk (i.e. venturing into the unknown, untested markets or committing to unproven technologies); financial risk taking (requires that a company borrow heavily or commit a large portion of its resources in order to grow) and personal risk (the risks that an executive assumes in taking a stand in favour of a strategic course of action) (Ndubisi, 2012).

Johnson (2001) suggests that it would be inappropriate for a larger organisation to place its survival in the hands of a number of entrepreneurs. As the organisation grows the founder needs to let go and allow others to take ownership of key areas. Thus it is also crucial to cascade a belief throughout the organisation that many members of staff can display facets of entrepreneurial behaviour within the context of their specific roles. Enabling people to take ownership, think in a more open and flexible manner and ensure that what they do as individuals contributes to the overall strategic development of the business are facets of entrepreneurial behaviour that could add value to many organisations. Therefore it is important that we begin to draw the distinction between the individual "entrepreneur" and a pattern of attitudes and behaviours that could be labelled entrepreneurial. This will be focussed on in section 2.6.1, which looks at the psychology of the entrepreneur and not just their attributes.

Evidence suggests that the following are key entrepreneurial attributes. Entrepreneurial attitudes and behaviour include:

- the *motivation* to achieve and compete;
- taking *ownership* and being accountable;
- making *independent* and self-directed decisions;
- being *open* to new information, people, practices, etc.;
- being able to *tolerate ambiguity and uncertainty*;
- *creative* and flexible thinking, problem-solving and decision-making;
- the ability to see and *capture opportunities*;
- *awareness of the risks* attached to choices and actions;
- the capacity to *manage and ultimately reduce risks*;
- *persistence* and determination in the face of challenge or lack of immediate reward;
- considering, discussing and formulating *a vision*;
- the capacity to *make an impact (Johnson, 2001).*

If these qualities can be fostered within individuals at all levels of the organisation, they will support and enhance the effort of the strategic entrepreneurs or leaders of the organisation. Not everyone needs to be, or could be, an archetypal entrepreneur, but everyone can display facets of entrepreneurial behaviour that can combine to add significant value to the organisation. It is also worth noting that these qualities cannot be formally assessed and developed.

Most importantly, entrepreneurs are typically not marketing experts (Martin, 2009). As such, the vocabulary and foundations of formal marketing theory are often unfamiliar to them (Stokes, 2000). Dodge *et al.* (1994) argue that the most prevalent problem in small firms is a lack of knowledge about the marketplace and planning and Carson *et al.* (1995) add that most "owner-managers do not define their own marketing mix in terms of product, pricing, place and promotion, but appear to prefer interactive marketing". Small entrepreneurial knowledge-based firms are characterised by entrepreneurs' lack of marketing development competencies coupled with their high technical and professional

skills (Capaldo *et al.*, 2001). Although most entrepreneurs are unfamiliar with formal marketing theory, they are often so personally embedded in the enterprise that they can ill afford mismanagement of the personal contact network at the heart of entrepreneurial marketing success. Entrepreneurs may not know the vocabulary and concepts but they are keenly aware of the value of the results of good marketing (Martin, 2009).

As can be seen in the extant literature there has been research into how entrepreneurs think and work, from many years ago, right up until today. Schumpeter (1934) suggested that entrepreneurs, blessed with an ability to wield technology as agents of market change, engaged in the process of 'creative destruction'. The creative destruction described involved the use of new technology (new products, new methods of production) to transform markets, essentially destroying the status quo and creating a whole new wave of innovation (Park, 2005). However, there is a lack of literature that looks at how entrepreneurs operate in small high technology based businesses. The next section will look at the psychology of the entrepreneur and how the ways in which they think and learn differ from the norm.

2.6.1 <u>Psychology of entrepreneurs</u>

A great deal of research has been undertaken that looks into the psychological characteristics commonly displayed by an entrepreneur (Carter and Jones-Evans, 2012). It has been found that there is no such thing as an "entrepreneurial personality" and there are great variances in the psychological makeup of successful entrepreneurs (Shepherd, 1999; Hisrich *et al.*, 2007; Rauch and Frese, 2007). However, there are some reasonably clear characteristics typical of many entrepreneurs:

- Desire for autonomy (Bolton, 1971; Kets de Vries, 1977; Rindova *et al.,* 2009)

- Risk-taking propensity (Quinn, 1980; Carland *et al.*, 1984; Chell *et al.*, 1991)

- Need for achievement (McClelland, 1961)

- Over optimism

- Locus of control (Brockhaus, 1982; Carid, 1990; Chell *et al.*, 1991)

2.6.1.1 Desire for autonomy

There are consistent findings in the field of entrepreneurial personality and behaviour that entrepreneurs have a high need for autonomy (Sexton and Bowman, 1985), as well as a fear of external control (Smith, 1967). Entrepreneurs value freedom and individualism more than their management peers. Individualism is defined as the possibility of making a difference for oneself. One study found that autonomy and freedom are the most important reasons for becoming an entrepreneur (Rindova *et al.*, 2009).

The desire to manage one's own business is a central feature of entrepreneurship and the driving force in the entrepreneurship entry decision. However it is difficult to establish a clear causal order of desire and entry. Put differently, do individuals with a high desire for autonomy start a venture because they want autonomy or do they want autonomy because they do not want others to take control of what they have created? As the causal mechanism remains unclear, we can only conclude that desire for autonomy can result in venture creation, but it can also be a result of having created a business (Carter, 2012).

2.6.1.2 Risk-taking propensity

The entrepreneur actively looks for risky ventures or assignments and has a greater tendency to take risks. An important concept here, however, is taking calculated risks, not making impulsive or spur of the moment decisions. There is a difference between making a risky but calculated decision and simply taking a risk. Entrepreneurs have a risk-taking propensity but probably do not see

themselves as extremely high risk-takers, even if others do. Whilst many past studies assume that risk attitude is independent of the situation, it has been found that risk-taking largely depends on two situational factors. First, the individual's perception of the situation (Hogarth, 1987; Mellers *et al.*, 1998). Depending on how a situation is presented, we can either seek or avoid risk. Second, whether individuals perceive themselves as experts or not in the decision environment is important (Smith *et al.*, 2009). Heath and Tversky's (1991) research demonstrated that individuals take considerably more risks in situations in which they feel competent.

Dickson and Giglierano (1986) proposed another perspective on entrepreneurial risk-taking. They argued that the concept of risk can be divided into two separate components – namely, the likelihood of committing to a bad opportunity (and failing) and the likelihood of missing a good opportunity. The latter element is conceptually close to exploratory behaviour and the entrepreneurs search for new opportunities. According to this study, research has mainly focussed on the likelihood of a new venture failing and not on the threat of missing an opportunity.

Research results on the risk-taking propensity of entrepreneurs are mixed, but it is evident that the perceived context, in terms of knowledge and situational characteristics, is a more important determinant of risk-taking than the personality characteristics (Rauch and Frese, 2007; Shane, 2000). For example, differences in risk perception affect the individual's opportunity evaluation and, thus, determine the entrepreneur's risk-taking (Keh *et al.*, 2002).

2.6.1.3 Need for achievement

This refers to the need to strive hard for success in order to obtain a sense of personal achievement. This is the most popular characteristic associated with McClelland's need for achievement (1961, 1969). Entrepreneurs have a tendency to select and work hard at business activities that hold a moderate chance of success, or a great opportunity for personal achievement and satisfaction, but without the excessive risk of failure. Entrepreneurs will seek

challenges but usually will not get involved in businesses where there is very little chance of growth and success (Collins *et al.*, 2004). There is little chance of them gaining a sense of personal achievement.

Researchers now understand that it is the prospect of achievement satisfaction and not money that drives the entrepreneur (Lee *et al.,* 2011). Money is important primarily as a measure of how well one is doing in business. McClelland's theory has received consistent empirical support, suggesting that this is a relationship between entrepreneurship and achievement motivations.

Entrepreneurs sometimes find it difficult to understand why others in their organisation are not driven by the same need for achievement that they are. In a successful entrepreneurial organisation it is extremely important that key individuals agree on values, vision and business objectives. It is, however, also possible that employees can make a valuable contribution to the business without the same need for success and sense of personal achievement.

2.6.1.4 Over optimism

Over-optimism occurs when an individual's optimism in a decision exceeds his/her accuracy in that judgment (Pulford and Colman, 1996). It has been found to play a role in different decision making situations and professions (Lowe and Ziedonis, 2006; Barber and Odean, 2001). Over-optimism has also been linked to entrepreneurship (Kahneman and Lovallo, 1993; Camerer and Lovallo, 1999; Bercovitz *et al.*, 1997; Busenitz and Barney, 1997; Sarasvathy *et al.*, 1998; Palich and Bagby, 1995; De Meza and Southey, 1996; Arabsheibani *et al.*, 2000; Puri and Robinson, 2005). Entrepreneurs can be overly optimistic with respect to, for example, the attractiveness of their product, consumer demand, degree of competition, their own managerial abilities, their ability to control (future) events, and venture performance (Wickham, 2006). Several reasons have been proposed for the overoptimistic nature of entrepreneurs such as self-selection and the assumption that entrepreneurship attracts a certain type of people (Forbes, 2005).

Several researchers claimed that over optimism was associated with positive outcomes in entrepreneurs, their success, and their contributions to the economies in which they operate. Kuratko and Hodgetts (2004) suggested that over optimism among entrepreneurs, even in bad times, is an important factor in their drive toward success. Researchers had identified over optimism as a stimulator for persistence and commitment to new venture creation (Litt, Tennen, Affleck and Klock, 1992; Seligman and Schulman, 1986; McColl-Kennedy and Anderson, 2005). It is often assumed that optimists have a positive outlook for their future. When entrepreneurs are categorised as optimists, the disposition enables entrepreneurs to downplay uncertainty or setback and focus on what is doable and good in a situation.

Over optimism is also characterised as a negative factor in entrepreneurship, however. Being over confident and unrealistically optimistic drives entrepreneurs to overestimate the odds that they will succeed (Baron and Shane, 2005; Hey, 1984). Optimism has also been linked to risk tolerance and high expectations (Petrakis, 2005). Optimists often deluded themselves into becoming entrepreneurs with high risks of failure (De Meza and Southey, 1996). An experiment conducted by Coelho and De Meza (2006) discovered that irrational expectations (also interpreted as unrealistic optimism) led entrepreneurs to behave in ways that are contrary to their interests and resulted in a loss of wellbeing. Optimism and overconfidence in the behavioural finance literature seem to be interpreted as causes of the high failure rates of new ventures in the initiation stage (Brocas and Carrillo, 2004). Puri and Robinson (2004), in a large scale study, linked optimism to significant work/life choices and entrepreneurship. Puri and Robinson (2004) also found that entrepreneurs were more optimistic than non-entrepreneurs and were more risk- tolerant than non-entrepreneurs.

2.6.1.5 Internal locus of control

Locus of control refers to an individual's perception of the causes for events in their life; this can be tracked back to Rotter's social learning theory (1966), which clarifies how perception of control affects the behaviour of individuals. An

internal locus of control means they believe their environment, in this case the performance of their business, is controlled by their own actions. That is, luck and fate does not determine what happens and success or failure is a result of an entrepreneur's abilities and experience (Carter, 2012). This can increase an entrepreneur's comfort in making business decisions. It can, however, at times also lead to a sense of failure if things take longer, or cost more, than they had expected even if there are good reasons for this occurring.

Researchers have found mixed results with regard to what the internal locus of control is. Some studies report a slight positive correlation between internal control and entrepreneurs, as well as a weak tendency that internal orientation is associated with better performance (Brockhaus Sr, 1982; Miller and Toulouse, 1986; Chen *et al.*, 1998). A considerable number of studies report no significant differences in locus of control between entrepreneurs and managers (Sexton and Bowman-Upton, 1985). In summary, the locus of control is a situation-independent concept that is related to the achievement context model of perceived self-efficacy (Bandaura, 1993).

2.6.2 <u>Summary of Entrepreneurs and Entrepreneurship Literature</u>

There have been many arguments over the history of research into the psychology of the entrepreneur and the suggested character traits (Chell and Haworth, 1988; Chell *et al.*, 1991); however these arguments also suggest that these traits are just part of the analysis needed to characterise the entrepreneurs and help to identify the complete entrepreneurial personality. Nonetheless, the literature above can be used to help the study by looking at what research suggests the make-up of the entrepreneur is, and how this can positively and negatively affect the way in which a business is run.

2.7 <u>Developed Themes</u>

From the literature reviewed above, the study seeks to show how the combination of industry, customer and prospect information scanning and entrepreneurial, contextual and relationship marketing can be combined along

with contemporary and traditional marketing methods to provide the best possible chance for market growth in a technology based small firm. The combinations of the above have been distilled down into three headline themes that will be used as a focus for the research (Table 2.3). The three themes below also fit with the 7 elements of entrepreneurial marketing (section 2.5) by Morris *et al.*, (2002) that has been recognised as the most commonly used model for researchers to date:

Elements of EM	**Intelligence, Innovation or Interfacing**
Opportunity Driven	Intelligence, Innovation
Proactiveness	Intelligence
Innovation-focussed	Innovation
Customer Intensity	Interfacing
Risk management	Innovation
Resource Leveraging	Interfacing
Value Creation	Interfacing

Market Intelligence - industry, customer and prospect information scanning.
Marketing Innovation - contextual and contemporary marketing methods.
Human Interfacing - entrepreneurial and relationship marketing.

These are further expanded in Table 2.3:

Theme	Definition	Description of shortfall	Authors
Market Intelligence	The collection, analysis and synthesis of data from current or prospective customers, competitors and other micro or macro-environmental influencers. Market Intelligence is used to determine the likely need or desire for an existing or novel product, process or service and the conditions under which the customer or consumer is likely to purchase. Market Intelligence will also help to inform the context in which marketing should be carried out.	The literature highlights the fact that most entrepreneurs are not marketing orientated and they do not see marketing as a necessity, more as an 'add-on'. However, there is little research as to why this is, most especially in high technology based small businesses. It also highlights that relationships and networks are extremely important for entrepreneurs to gain market intelligence and networking to help SMEs in particular develop and grow their business, but there are now developed models as to how this market intelligence should be gathered or used.	Jones *et al.* (2009a), Jones *et al.* (2013a), Morris *et al.* (2002) Martin (2009), Hill (2001), Deacon, (2002) Gilmore *et al.,* (2001)
Marketing Innovation	The plan to incorporate the advances in contemporary marketing methods and technology to increase the effectiveness and efficiency of marketing, to gain competitive advantage and increase stakeholder value, most specifically those in the high technology based small business sector.	Despite the significance of marketing and innovation to high technology based small businesses, scholars note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of innovative marketing theory relevant for high technology based small businesses.	O'Dwyer *et al.,* (2009), Hansen *et al.,* (2010) Hultman (1999), Gilmore *et al.,* (2001), Albadvi and Hosseini (2011)

| Human Interfacing | Creating two-way continuous conversations, co-creation and building a relationship with longevity between business and customer. | There is a need for trust and relationship building between businesses and organisations, but also between organisations. With the longitudinal relationships that come with business to business purchasing, there is a greater need for much more in-depth relationship marketing to ensure that the customer acts as an advocate but is also willing to help with the creation of new products/services. This trust must be built by the entrepreneurs interacting with customers and prospective customers on a human scale. There is a lack of literature highlighting what sort of trust should be developed for high technology based small businesses and how this should be done. | Gilmore *at al.,* (2001), Morris (2002), Albadvi and Hosseini (2011) |

Table 2.3: Developed Themes developed by author

2.8 <u>Chapter Summary</u>

It can be seen in the literature that there is not yet a link connecting entrepreneurial marketing, marketing in high technology based small firms and business to business marketing. The supposition of the research is this link is needed to help high technology based small firms successfully go to market. Hultman (1999) suggests that in future research, especially at the marketing and entrepreneurship interface; it may be fruitful to integrate concepts from both the marketing mix and the relationship marketing frameworks. Such a conclusion further supports the research premise that an ethnographic study of a case study company willing to let a researcher trial and test the different elements would be successful in identifying a suitable balance of marketing, innovation and technology.

The development of the overlapping literature in figure 2.1 and 2.2 shows the evolving nature of the literature that was studied. As the researcher moved through the various literature and also spent more time embedded within the case study company it was obvious that there were multiple methods, strategies and theories that all needed to be accounted for, which meant that the conceptual model created has come from a rigorous and iterative process. The Case study informed the literature that was being researched; the literature then informed what needed to be done at the case study company, which then informed the additional literature in a loop. This highlighted the gap in academic theory and practitioner-based work. The iterative nature of the development of the key themes had some challenges as there was a limit to how much literature should be looked at, as there were points when the researcher could have moved into different areas of marketing and business. However, with the uniqueness and innovativeness of the case study company, the researcher aimed to stay on point with relevant and up to date literature.

At the Charleston Summit in 2010, four perspectives or dimensions were presented and considered before the start by leading scholars in research at the Marketing/Entrepreneurial interface (Hansen and Eggers., 2010). These four

perspectives were useful in framing and understanding the abbreviated history of the interface and recommendations for future research described at the Summit, and are summarised below in Table 2.4.

The fourth perspective could be considered for further research as this perspective represents that which is unique to the interface, that is, the combination of marketing and entrepreneurship creates something distinctive. Thus this fourth perspective is an opportunity for further investigation and theory development, which will be pursued in the course of this exploratory and interpretivist research.

Bearing this in mind, this research aims to answer, through case study research, the following question: *How can the combination of Intelligence, Innovation and Interfacing help high technology based small firms go to market? A Case Study*

Perspective	Explanation
1. Marketing and entrepreneurship	Commonalities between both disciplines.
2. Entrepreneurship in marketing	Entrepreneurship issues framed in the field of marketing or viewed through a marketing theoretical lens.
3. Marketing in entrepreneurship	Marketing issues framed in the field of entrepreneurship or viewed through an entrepreneurship theoretical lens.
4. Unique interface concepts	Concepts that are distinct to the interface and evolve out of the combination of entrepreneurship and marketing.

Table 2.4: Four perspectives of the Marketing/Entrepreneurship Interface (Hansen and Eggers, 2010)

The extant literature review has identified that there is a need for further research with regard to the need for Market Intelligence, Marketing Innovation and Human Interfacing and a combination of the three to create a model that is transferable across not only other small high technology businesses, but business in general. Initial data gathering in the case study company has

confirmed that the company has trialled various forms of traditional marketing previously, with little or no measureable success.

It can be seen that most of the research into marketing has been aimed at larger organisations rather than SMEs, and most specifically high technology based small businesses. The research into this specific area has shown that although the owner-managers are well-versed in the technical aspects of product development, they know or understand little about the way in which the products can be taken to market. There is yet to be a tried and tested model that can be applied in this context to help high technology based small businesses go to market.

It can be said that entrepreneurs understand the need to build relationships within their networks (personal or business) to help develop and grow their business; however, they do not see that this more informal style of information scanning is essential for product development and co-creation/innovation within the business. This suggests that the need for human interaction between the entrepreneur and the customer needs further investigation as to the reasons why it is important and why it does not always happen.

A conceptual model has been created (Figure 2.4) from the developed themes (Table 2.3) alongside time already spent in the case study company to show the way in which the information should flow and the stages that are needed for a high technology based small business to go to market.   This conceptual model will be trialled in the case study company to discover if all the components are needed and if they are equal, or if there is a different weighting to each part of the model.
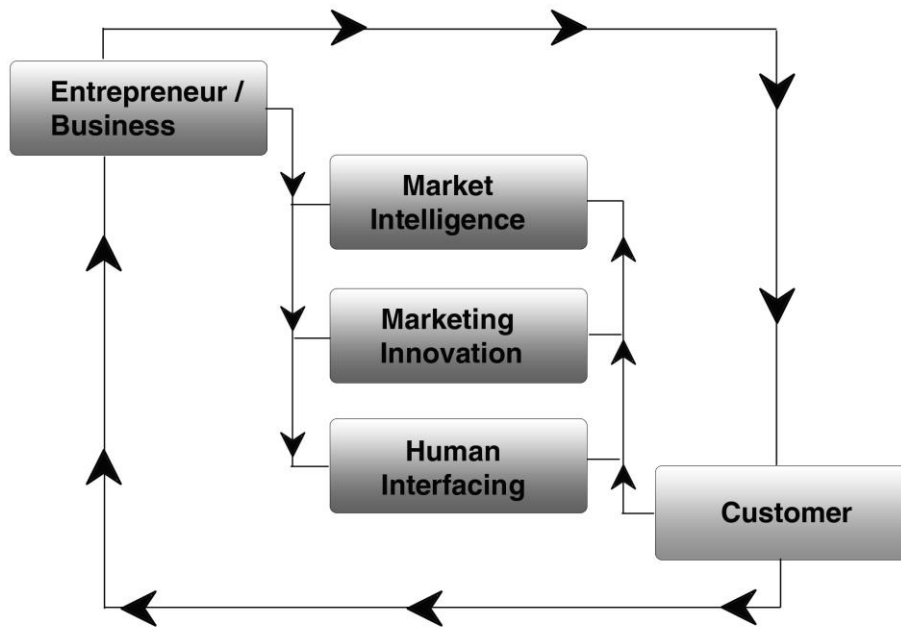
Figure 2.4: Conceptual Model for research

3   <u>Methodology</u>

3.1 <u>Introduction</u>

Chapter 1 of this study set out the research aims and objectives (Chapter 1, Section 1.3 and 1.4). The related literature, as described in Chapter 2, was used to guide an exploration of the areas identified as relevant to this study.

Chapter 2 reviewed the relevant literature and discussed contemporary research issues in relation to the aims and objectives of this study. A descriptive model was outlined (Table 2.3), emerging from a review of the literature of the focused research issues in relation to the proposed research aims and objectives as described in Chapter 1, Sections 1.3 and 1.4. In the conclusion of Chapter 2 there were three headline themes that were developed - these contemporary research issues were: Market Intelligence (Jones *et al.*, 2009; Morris *et al.*, 2002; Martin, 2009; Hill, 2001; Deacon, *et al.*, 2002), Marketing Innovation (O'Dwyer, *et al.*, 2009; Hansen, *et al.,* 2010; Hultman, 1999; Gilmore *et al.*, 2001; Albadvi & Hosseini, 2011) and Human Interfacing (Gilmore *et al.*, 2001; Morris *et al.*, 2002; Albadvi & Hosseini, 2011). These research issues will form the criteria for analysis that will be further explained in section 3.5.1 and will then be used to analyse the data generated in Chapter 4.

Chapter 3 confirms the philosophical concepts discussed in Chapter 2 and continues by outlining the research methodology. The research design (Section 3.3), derived from Carson *et al.* (2001) and developed by Deacon (2008), is described with instruments for data collection in Sections 3.3.2 and 3.3.3, the limitation and delimitation issues are shown in Section 3.6 and ethical considerations described in Section 3.7 will summarise the methodology chapter.

The world divides into "natural" and "social," that is, "nature" and "society," respectively – the former is inquired by natural science and the latter is the

object of study in social science. Science (both natural and social) aims to develop and improve human understanding of the world, thus reducing ignorance and liberating humankind from the restricting influence of dogmas and falsehoods on human behaviour (Sayer, 2000). Social science in particular enables and encourages societal emancipation by fostering the development of knowledge (Collier, 1998). Emancipation, that is, "(…) the process through which individuals and groups become freed from repressive social and ideological conditions, in particular those that place socially unnecessary restrictions on the development and articulation of human consciousness" (Alvesson & Willmott, 1992, p. 432), requires, however, more than (new) knowledge: changes in the world's practice, often motivated by that knowledge, are necessary (Sayer, 2000).

Scholars and researchers necessarily rely on some assumptions whenever undertaking research. Those assumptions, which every "good" scholar and researcher should be aware of (and if necessary make explicit), concern the following: firstly, the way the world is thought to be (ontology); secondly, how the world can be known (epistemology); thirdly, which research methods and techniques to employ in the world's study (methodology). Ontology relates to the nature or substance of the world, that is, the (kind of) "things" that exist in the world. Epistemology, on the other hand, is focussed on how human beings can acquire or develop knowledge of the world. Ontology and epistemology are clearly distinguished: the "nature of being" and the "knowledge of being," respectively (Ackroyd & Fleetwood, 2000). Methodology is focused on the methods and techniques to deploy in the world's inquiry, mostly in scientific research. Ontology is the overriding metatheoretical dimension that strongly influences epistemology and methodology.

3.2 <u>Nature of Research</u>

The focus of this research can be found at the Marketing and Entrepreneurship Interface (Sections 2.2, 2.3, 2.4 and 2.5) (aspects of: Entrepreneurial Marketing, Relationship Marketing and Contemporary marketing methods) along with the relationship to high technology based small business marketing (Section 2.3.3)

(aspects of: Marketing of high technology products and SME Marketing). To be able to establish the decisions and choices made throughout the research process, this section endeavours to position the study with regard to its ontological and epistemological considerations that lead to the philosophical stance taken and its influence upon theory building in this context (Carson *et al.*, 2001:1).

3.2.1 <u>Research Ontology</u>

Ontology can be defined by Smith (2008) as a "branch of philosophy, [is] the science of what is, of the kinds and structures of objects, properties, events, processes and relations in every area of reality", in that it is about 'reality' and what can be known about the 'reality' of the research in mind. In the case of this particular research the 'reality' is that of the environment in which this study is set is in the world of high technology based small firms. The area which is being explored is the area of Intelligence, Innovation and Interfacing (2.11) in the case study company, an e-commerce software provider, which will be the focus of this research.

The ontological assumption in regard to this specific research is that the environment is socially constructed by multiple participants, including the researcher and therefore will be best understood by conducting enquiry from the inside (Evered and Louis, 1981) as a participant-observer. In positivistic research, 'objective' facts are sought through the use of methodology which keeps (or attempts to keep) the researcher out of the frame for fear of contaminating it. Action research recognises that in so doing, reality is distorted because it is not possible to totally exclude oneself from the field of inquiry (Gaventa and Cornwall, 2008). This whole debate challenges the notion of 'truth'. With action research, the notion of 'objective truth' has to be abandoned as action researchers recognise that our subjectivity is always present. We cannot step outside to see the world in an 'objective' way.

The research specifically looks to explore entrepreneurial mind-sets with reference to marketing. For this reason, the kind of knowledge the research is

particularly interested in is a knowledge that emerges between the researcher and others in the case study. It is the kind of knowledge that 'works' within the context, with the understanding that this could change and that others hold other truths. As Shotter (1993) says:

[knowledge about how to be a person] 'does not have to be finalised or formalised in a set of proven theoretical statements before it can be applied. It is not theoretical knowledge…………for it is not knowledge-in-practice, nor is it merely knowledge of craft or skill ('knowing-how'), for it is joint knowledge, knowledge-held-in-common with others. It is a third kind of knowledge one has from within a situation, a group, social institution, or society; it is what we might call a 'knowledge-from'.

The concept 'knowledge-from' provides a way of resolving the epistemological dilemma, as to whether truth is a fundamental or a relative construct.

In order to build an understanding of the connection between market intelligence, marketing innovation and human interfacing, a research design must be used that is consistent with a study regarding such an individual combination of factors in a high technology based small firm. To explore the essence of the small firm and to understand and appreciate the full nuance of the business, processes and entrepreneurial mind-set within the case study company, a methodology that works in conjunction with the operation of the small firm will be used.

3.2.2 Research Epistemology

Defined narrowly, epistemology is the study of knowledge and justified belief. As the study of knowledge, epistemology is concerned with the following questions: What are the necessary and sufficient conditions of knowledge? What are its sources? What is its structure, and what are its limits? As the study of justified belief, epistemology aims to answer questions such as: How are we to understand the concept of justification? What makes justified beliefs justified? Is justification internal or external to one's own mind? Understood more broadly,

epistemology is about issues having to do with the creation and dissemination of knowledge in particular areas of inquiry.

Swartz *et al.* (1998: 286) define epistemology as 'the study or a theory of the nature and grounds of knowledge especially with reference to its limits and validity". As such, this research functions within its 'limits and validity' in relation to the described 'reality' and the researcher. In an interpretive epistemology this builds understanding of the reality with a focus on the case study company and the actors within. The focus of this study will be upon open data in regard to the research issue, the data is captured using an ethnographic journal as well as more formal interviews with the case study company's clients. Epistemologically, the study attempts to build an understanding of the operation of a high technology based small business, and the personalities of the actors involved in the business, this understanding will follow an interpretivist research approach which allows the researcher to gain valuable insight. This allows for a wider perspective to be taken in the generation of knowledge as it encourages the development of new and undiscovered meaning in relation to 'interpretive plausibility' rather than seeking to confirm existing 'truths' (Alvesson and Sköldberg, 2000: 104).

Such a philosophical stance is supported by the approach taken in this study that: the researcher is involved with the research as a participant-observer; the selection of participants is purposeful, small and personalised, and the study attempts to build a foundation for theory development. Therefore this epistemological position suggests that any meaning made of phenomena will be intrinsically socially constructed.

The study deals with everyday life experiences and operations of the small business and the actors within. For theory to be developed we cannot reduce the study to just an individual actor but will need to consider the contacts, connections, group attachments and social meetings that relate one business to another (Saunders, 2005). As a consequence, the key factors in a study of the operation of the high technology based small business are and will be, socially

constructed, and it is impossible to treat small firm owners as separate from their social contexts and environments (Gilmore *et al.*, 2004).

It is important to recognise the relationship between the researcher and that which is being researched as this relationship may bring bias or misinterpretation, either intentionally or unintentionally. Cook (1986) warns of the dangers of such situations whereby the researcher can be at risk of "incorporating overt and vigorous searches for bias". The researcher has been situated at the case study company since the start of the research project as a Marketing Manager and therefore may have conscious or subconscious influence, which may impact on the data presented as the researcher has an influence on the business as a practitioner and researcher.

To this end, the concept of a situation-specific praxis of a high technology based small business, given this epistemological stance, will be explored and interpreted through an immersion in the understanding of the processes and operations with regard to marketing within the case study company, and how this is affected by the owner-manager's perception of marketing. Therefore, the role of the researcher will simultaneously be one of deliverer and interpreter from within, in regard to the marketing practice, policy and research-making contexts. It is therefore acknowledged that the researcher is an integral part of the development of 'knowledge' within this context and acts as a 'research instrument' for interpretation, theory development and meaning (Deacon, 2008). The researcher's 'pre-understanding, knowledge and experiential learning are essential in order to fully understand the process' (Carson *et al.*, 2001:13).

3.2.3 **Research Philosophy**

Research philosophy can be defined as the development of the research background, research knowledge and its nature (Saunders, *et al.*, 2007).

With no consensus within literature to clearly define the purpose of research (Hussey and Hussey, 1997), the researcher suggests that we carry out research in order to obtain further knowledge about a particular subject area of interest in a systematic way. According to Hussey and Hussey, (1997), the subject area can consist of any combination of the following:

- To review and synthesise existing knowledge.
- To investigate some existing situation or problem.
- To provide solutions to a problem.
- To explore and analyse more general issues.
- To construct or create a new procedure or system.
- To explain a new phenomenon.
- To generate new knowledge.

It can be seen from the literature studied (Chapter 2) that there is a gap in the previous scholarly work identified, therefore this research will look at generating new knowledge as well as creating a new procedure.

For this study, selecting an overall research philosophy is the choice between two primary alternatives: between a positivist and an interpretivist paradigm. In the words of Cohen, *et al.* (2000), 'research paradigm can be defined as the broad framework, which comprises perception, beliefs and understanding of several theories and practices that are used to conduct a research. It can also be characterised as a precise procedure, which involves various steps through which a researcher creates a relationship between the research objectives and questions'. A number of authors (Hussey and Hussey 1997; Saunders, *et al.*, 2000) have highlighted the main elements of this choice involving research

philosophy. In particular, Hussey and Hussey 1997, offer these key features of the two philosophy paradigm alternatives:

Positivistic Paradigm	Interpretivist Paradigm
Tends to produce quantitative data	Tends to produce qualitative data
Uses large samples	Uses small samples
Concerned with hypothesis testing	Concerned with generating theories
Data are highly specific and precise	Data are rich and subjective
The location is artificial	The location is natural
Reliability is high	Reliability is low
Generalises from sample to population	Generalises from one setting to another

Table 3.1: Features of the two main paradigms (Hussey and Hussey 1997).

Table 3.2 provides a visual representation of the two paradigms and how they form part of the same continuum.

Positivist		Approach to Social Sciences			Interpretivist
Reality as a concrete structure	Reality as a concrete process	Reality as a contextual field of information	Reality as a realm of symbolic discourse	Reality as a social construct	Reality as a projection of human imagination
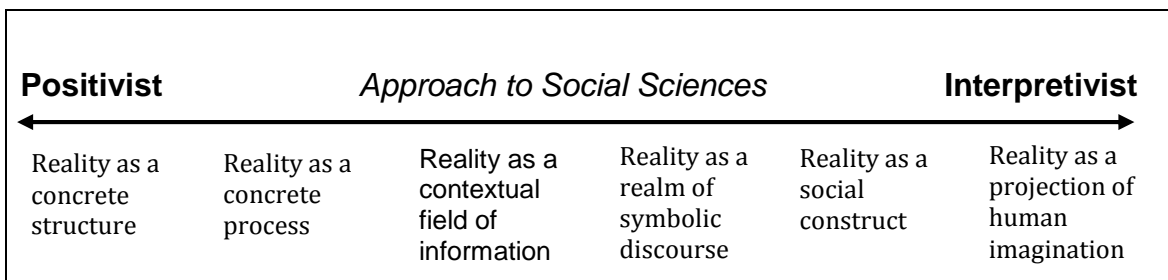
Table 3.2: Source: Adapted from Hussey and Hussey (1997).

Paradigmatic differentials between both paradigms can be seen in Table 3.3, which helps the researcher to define more precisely the paradigm that the research will fall into. Carson (2001, cited by Deacon, 2008) supports the view that the philosophical positioning of this research is primarily interpretivist, where the researcher engages with the groups via direct access, assuming multiple realities derived from the participant's conversations with a personal and descriptive outcome.

Whereas positivism holds that the researcher is independent of the phenomena and seeks to explain causal relationships, interpretivism accepts that the

researcher is involved and reports a personal interpretation of the phenomena and thus a 'social reality' (Deacon, 2008).

	Positivism	Interpretivism
Ontology Nature of being/nature of the world Reality	No direct access to the real world Single external reality	Have direct access to the real world Multiple realities
Epistemology 'Grounds' of knowledge/relationship between reality and research	Independent of the phenomena under investigation	Interactive with the phenomena
Methodology Focus of research	Concentrates on description and explanation	Concentrates on understanding and interpretation
Role of researcher Unit of analysis Rhetoric	Independent Large samples Impersonal and formal definitions	Involved Small numbers Personal and descriptive

Table 3.3: Paradigmatic differentials adapted from Carson *et al.* (2001:6) Deacon (2008)

The ontological (3.2.1) and epistemological (3.2.2) stance suggests that the philosophical positioning of this research is interpretivist. Given that the study focuses upon a high technology based small business with an aspiration to discover how entrepreneurs within this context view and deliver marketing, an interpretive research strategy will be pursued that is 'socially constructed rather than objectively determined' (Carson *et al.*, 2001:7). Looking at all of the above tables, it can be seen that the research paradigm that will be used in this study will be towards the interpretivist end of the scale. With this approach, an emergent stance is taken to exploration and theory building, through the observation of and interaction with the case study company. Therefore this enables the reporting of contextual realities that exist within.

Inquiry within a specific social context determines the data generation methods. The research will be qualitative, which will provide a rich insight into the operation of the case study company and will capture a more complete picture of the individual business experience rather than a narrow generalisation (Miles and Huberman, 1994). The research methods will include case study research, an autoethnographic journal, in-depth and longitudinal interviews and observation (3.4 Research Methods). The characteristics of qualitative research provide flexibility and suitability for use in the interpretation of a marketing management situation – this is particularly so when carrying out research in an organisational or business context (Carson *et al.*, 2001).

Van Maanen (1983) suggests that the research instruments used under this approach are 'an array of interpretive techniques, which seek to describe, translate and otherwise come to terms with the meaning, not the frequency of certain more-or-less naturally occurring phenomena in the social world'. This type of qualitative method employs an inductive approach to the empirical data in order to provide a deeper insight and more understanding of the influences that shape the phenomena in order to explain the interacting realities and experiences of the researcher and the participant (Lincoln and Guba, 1985).

The researcher acts as the focal research instrument, gaining insights into the interacting realities and experiences of the researcher and the participant(s) from within, during the research process.

This study will approach the research issue with a focus upon open data - this is data sourced from the case study and the researcher in their own voice and therefore interpretivist in nature (Figure 3.1 shows the research footprint of this study).

POSITIVISM
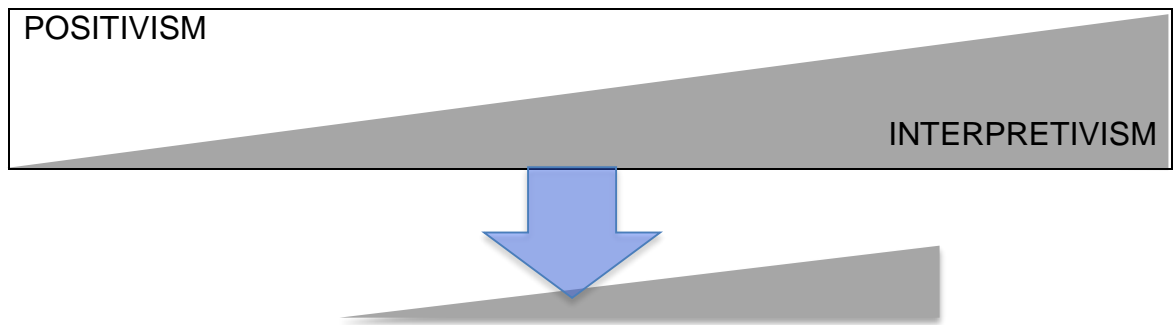
INTERPRETIVISM

The research area of this study

Figure 3.1: The research area of this study

An interpretivist approach allows the researcher to gain an insight into the social construction of meaning in relation to the marketing practice of the high technology based small business and how such meaning can be used to inform 'contextual' theory development. Gilmore, *et al.* (2001) note that 'the aim is to understand and explain why people [participants] have different experiences, rather than search for external causes and fundamental laws to explain their behaviour'. Alvesson and Sköldberg (2009) suggest that this allows for a wider perspective to be taken in the generation of knowledge as it encourages the development of new and undiscovered meaning rather than seeking to confirm existing 'truths'.

3.2.4 <u>Theory Building</u>

The focus of this study is interpretive because the purpose is to explore and identify the meaning and understanding of marketing in context – the context being the 'reality' of what marketing means to the small firm owner-manager and what may or may not represent the 'market'. The study balances both deductive and inductive approaches, effectively a two-tier methodology. Deduction was used to create the conceptualisation to guide the early phases of empirical research and then induction guided the development of theory in context as, according to Carson *et al. (2001)*: 'a deductive framework / conceptualisation may be derived from a literature analysis (Chapter 2) and this may be evaluated empirically and inductively to allow new insights to emerge'

and therefore 'Induction is based on reflections of particular past experiences, to the formulation of abstract concepts, theories and generalisations that explain the past, and predict future experience'. In this study 'reflections' have been made on the disconfirmations found within extant literature (Chapter 2) and the implications this study may have for marketing practice in high technology based small firms, by entrepreneurs and for future research activity.

3.3 <u>Research Design</u>

The analysis of the data presented in Chapter 4 offers a source of research outcomes by seeking to justify the needs of practice and research. This research attempts to align research outcomes by seeking to justify the needs of both academe and practice. By definition, 'management' is an applied discipline and according to Peters and Howard (2001), 'without a prospect of application, by the end user (in an organisation) directly or indirectly, business literature has no worth'.

Any discussion within the area of meaningful application of the research would be incomplete without acknowledgement that the practitioner themselves are a rich and informative source of opinion on theory making. Such situations can only be achieved where idiographic (the case study of the individual in context), as opposed to nomothetic (the imposition of a generalisation) approaches are accepted (Gummesson, 2003; Bjerke and Hultman, 2002; Hakansson *et al.*, 2004).

The ability to draw valid conclusions rests in the researcher's hands; and at this stage of the process their skills and experience are tested to the extreme. The researcher is the research instrument gaining insights into the interacting realities and experiences of the researcher and the participants. It is she who is at the centre of the research process and who drives the whole effort forward, remaining within the research throughout the duration of the process. Based on their many years of experience in the field, Mey and Mruck (2007) believe that a

knowledgeable researcher with conceptual interests and more than one disciplinary perspective is often a better research instrument for qualitative research, as the researcher is more refined, more bias-resistant, more economical, quicker to focus on the core processes that hold the case together, and more persistent in the search for conceptual meaning – reinforcing the intrinsically reflexive and interpretivist approach to the data and theory- building presented.

The reflexive iterative process starts with an informed description of research and moves to a stage of 'blended' activity where data collection and analysis are almost simultaneous. A representational account is then given before resuming the iterative spiral again (Crabtree and Miller, 1999). Gummesson (2003) refers to this cycle as the 'hermeneutic spiral', suggesting that understanding is developed in an iterative process, see Figure 3.2;
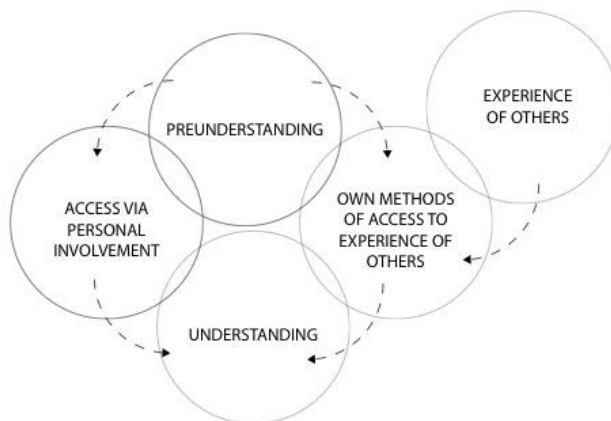
Figure 3.2: Sources of understanding adapted from Gummesson (2003)

Within the iterative development, each step increases knowledge by a process of pre-understanding to inform the next step in the research process, and therefore contribute to 'understanding'. As information is accumulated, an interpretation of the phenomenon alters to incorporate the new information, developing the deeper contextual understanding of the 'whole' and 'part(s)'. The process reaches 'saturation' when valid meaning has been obtained.

Crabtree and Miller (1999) and Gummesson (2003) proposed that the development of theory is a consequence of a reflexive 'oscillation' within and between the known and the unknown (section 2.11), and simultaneously between the constituent parts of the study from the generated data, as shown in Chapter 4, and the whole as shown in Chapter 5. Figure 3.3 shows the linkage between the constituent parts of the study and the turbulence within and between these parts. This represents the reality of data generation within a small firm.
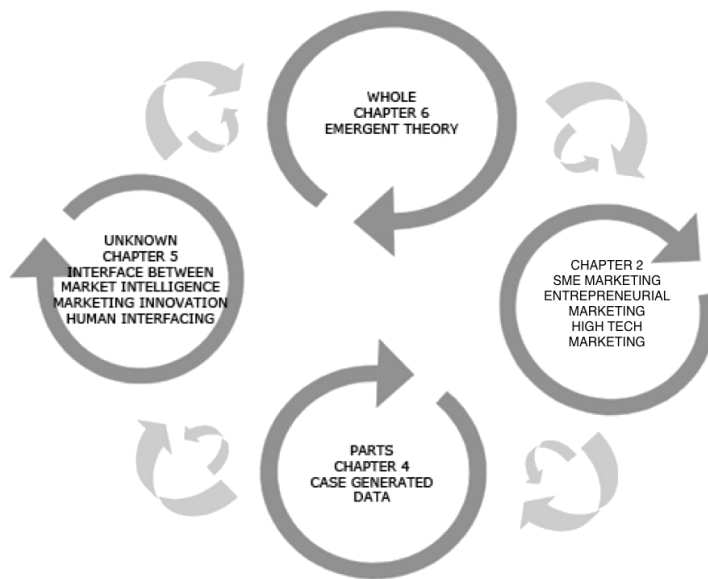
Figure 3.3: The oscillation and turbulence of data used in this study (adapted from Deacon, 2008)

3.3.1 <u>Research methods</u>

Any discussion about research methods has to be predicated upon the philosophical stance taken by the researcher for the study. Previously in this chapter (3.2.3), the researcher set out the philosophical stance to be adopted – which is an interpretivist philosophy.

This philosophy allows for a number of methodologies to be used for enquiry within a business context and allows for the emergence of theory, as knowledge evolves longitudinally in line with the study (Carson *et al.*, 2001). This approach is chosen within this study as it suits the focus upon social constructs and

contextually found within a high technology based small business. Within their classification of methodologies in the context of research philosophies, Carson *et al.* (2001) consider the following interpretivist research methodologies: in-depth/convergent interviews/focus groups; action research and learning; autoethnographic studies; and grounded theory – the latter three, they contend, are suited to 'emergent studies' – those enquiries that develop over time. Therefore, based upon the 'emergent study' classification, a holistic combination of instruments from the relativism / interpretivist paradigm (Carson *et al.*, 2001) has been chosen to generate data.

The data generation instruments to be used are:

1. Autoethnographic participant observation – researcher based within the business whilst engaging in reflexive investigation (Maréchal, 2010).
2. In-depth responsive interviews – with the case study company's clients (Rubin and Rubin, 2005).
3. Inquiry from within – an adaption of action research and narrative inquiry – the effect of the researcher being within the business (Evered and Louis, 1981).

This iterative process has been chosen in order to allow the researcher to examine the relationship between the entrepreneur, customer and marketing practice in line with the philosophical position of the literature review and methodological fit as described. This longitudinal method corresponds with Gilmore and Coviello's (1999) call for contextualised research methodologies at the marketing/entrepreneurship interface.

3.3.1.1 Qualitative Methods

According to Patton (2002), qualitative research is multi-method in focus, involving a naturalistic approach to its subject matter. Creswell (2009) notes the following characteristics of qualitative studies:

1. Natural setting – tend to collect data in the field at the site where participants experience the issue or problem under study.

2. Researcher as key instrument – collect data themselves through examining documents, observing behaviour or interviewing participants.

3. Multiple sources of data – typically gather multiple forms of data, such as interviews, observations and documents rather than rely on a single data source.

4. Narrative theme analysis – build their patterns, categories and themes from the bottom up, by organising the data into increasingly more abstract units of information.

5. Participants' meanings – in the entire qualitative process, the researcher keeps a focus on learning the meaning that the participants hold about the problem or issue.

6. Emergent design – the research process for qualitative research is emergent.

7. Theoretical lens – the researcher often uses a lens to view their studies.

8. Interpretive – qualitative research is a form of interpretive inquiry in which the researcher make an interpretation of what they see, hear and understand.

9. Holistic account – qualitative researchers try to develop a complex picture of the problem or issue under study.

The reason for using the case study method is that small firms tend to be loosely structured and non-hierarchical, often adopting an unorthodox style of management (see section 2.8 and 2.9), making it difficult to research in an objective and systematic manner. The researcher believes that using a subjective design for the research is more suitable for this study. This is because it allows a more in-depth examination of the way in which marketing is regarded and the effect this has within the case study company.

3.3.1.2 Case Study Methods

Case studies are considered useful in research as they enable researchers to examine data at the micro level (Yin, 2008). Although case studies have various advantages, in that they present data of real-life situations and they provide better insights into the detailed behaviours of the subjects of interest, they are

also criticised for their inability to generalise their results (Zainal, 2007). Dul and Hak (2008) argue that case study methodologies are now well-developed, articulated in the literature and are highly appreciated when the research questions are "how" and "why"; where the focus is on contemporary events; the research is exploratory or descriptive (Mousa & Shamieh, 2011).

Case study method has always been criticised for its lack of rigour (Zanial, 2007) and the tendency for a researcher to have a biased interpretation of the data (Yin, 2008). Grounds for establishing reliability and generality are also subjected to scepticism when a small sampling is deployed (Tellis, 1997). However, researchers still continue to deploy the case study method particularly in studies of real-life situations to gain complete insight into the subject being studied.

The research will be done by conducting single-case study research of the case study company, over an 18-month period, whilst being based at the company's offices in Port Talbot. This allows the exploration and understanding of complex issues from within. It can be considered a robust research method particularly when a holistic, in-depth investigation is required (Zainal, 2007). By including both quantitative and qualitative data, case studies help explain both the process and outcome of a phenomenon through complete observation, reconstruction and analysis of the cases under investigation (Tellis, 1997).

Yin (2008) suggests five rationales for a single case study design, these can be seen below:
- a. when it represents the critical case in testing a well-formulated theory;
- b. when the case represents an extreme case or a unique case;
- c. a single case is the representative or typical case;
- d. a single case study is the revelatory case; and
- e. a single case study is the longitudinal case: studying the same single case at two or more different points in time.

Voss *et al.* (2002) discussed case study research design in terms of the number of cases. They categorised it as single cases and multiple cases, and illustrated the advantages and disadvantages as shown in Table 3.4. Single cases have an advantage of greater depth. In this study, the single case design (i.e. the case study company) is expected to provide more opportunity for in-depth observation.

Choice	Advantages	Disadvantages
Single Cases	Greater depth	Limits on the generalisability of conclusions drawn. Biases such as misjudging the representativeness of a single event and exaggerating easily available data.
Multiple Cases	Augment external validity	Less depth per case

Table 3.4 Choice of number of cases (Voss *et al.*, 2002)

However, this single case design might have limitations (Leonard-Barton, 1990, Voss *et al.*, 2002). Firstly, single cases have limits on the generalisation of the conclusions, because models or theories are developed from one case study; secondly, the limit of generalisation implies the risks of misjudging the representativeness of a single event, and of exaggerating easily available data. These risks are also present in multiple cases, although these are mitigated in multiple cases (Voss *et al.*, 2002). However, as stated above, analytic generalisation in lieu of statistical generalisation can be used for single cases as well as multiple cases. The case study company represents a very unique case in that the research was embedded as part of the business for 18 months enabling an in-depth inquiry from within, which is also a longitudinal study. These rationales could serve as the main reasons for conducting this single case study.

Dyer and Wilkins (1991) also argue in favour of a single case study because of the likelihood of communicating more contextual insights. Ahrens and Dent (1998) posit that single cases produce richer stories because of the opportunity of going deeper.

The combined use of questionnaires, interviews and documentary data enables data source triangulation (Denzin, 1970). Interviews alone, although an excellent source for gathering firm-specific data (Creswell, 2007), have been shown to sometimes provide incomplete accounts of the situation (Yin, 2008). The use of data source triangulation in the research allowed us to gain a much more accurate and complete picture of the situation in the firm (Yauch and Steudel, 2003). The multiplicity of methods used and the richness of the data gathered underpin the study in that it provides a rich account of the case study's level of market orientation in the early stages of the project. This is essential as it will create the basis against which future plans and operational improvements could be set (Senge, 1990).

3.3.1.3 Strengths and Weaknesses of Case Studies

Many of the writers on case study methodology have documented the relative strengths and weaknesses of the approach. The reader is reminded that all forms of research have limitations (Yin, 2008) and that some of the strengths and weaknesses quoted reflect an argument for, or against qualitative research rather than the case study methodology. Table 3.5 represents a selection of the comments made in the literature reviewed.

Strengths	Weaknesses
1. Case studies are strong in reality – they are down to earth in details and attention as they report actual behaviour (Gummesson, 2000).	1. Case studies rely on analytical generalisations (Flyvbjerg, 2001).
2. Case studies are a non-disruptive research method – they are in harmony with the reader's own experience (Yin 2008).	2. Case studies can take a long time to complete and result in drowning in the data (Rarick, 2003).
3. Case studies recognise the complexity and embedded-ness of social truth (Rarick, 2003).	3. Case studies lack statistical reliability (there is element of bias) (Zainal, 2005).
4. Case studies allow for a large number of variables and different aspects of the phenomenon (George and Bennett, 2005).	4. Case study analysis may establish relationships between variables but not necessarily the direction of the causation (Straits and Singleton, 2006).
5. Case studies are of high value in the applied social sciences where research often aims to provide practitioners with tools (Stake, 2005).	5. Some case studies, for reasons of confidentiality, have to disguise the identity of the organisation(s) being studied (Zahid and Riaz, 2008).
6. Multiple case studies add confidence to findings (Echtelt, *et al.*, 2006).	6. Case studies represent interpretations of social reality and as such cannot be too objective (Muhamat, 2009).
7. Case studies are valuable in developing and refining concepts for further studies (Echtelt, *et al.*, 2006).	
8. Case studies offer the opportunity for a holistic view of a process (Primus, 2008).	
9. Case studies enable phenomena analysis in their natural settings (Robert, 2009).	

Table 3.5: Strengths and Weaknesses of Case Studies - Analysis of Case Studies. Source: Developed by the author

Many of the texts quoted provide counter arguments to the weaknesses. Robert (2009), in particular, provides a robust and detailed defence against the criticisms made. Stake (2005) also discusses mitigating factors and counter arguments, and in particular points to the use of multiple case studies to

strengthen or broaden the analytic generalisations as well as the precision, validity, and stability of the findings. It suggests all researchers recognise the inherent weaknesses in their approach and then develop an appropriate research design, which overcomes as fully as possible the shortcomings using a range of tactics, such as paying attention to details, adhering to the research timeline framework, addressing data bias, using multiple case studies to enhance confidence in the results, and most important of all, validating the results using methodological triangulation.

3.3.1.4 Narrative Inquiry and Autoethnography

Narrative inquiry is an umbrella term that captures personal and human dimensions of experience over time, and takes account of the relationship between individual experience and cultural context (Clandinin and Connelly, 2000). It is a means by which we systematically gather, analyse, and represent people's stories as told by them, which challenges traditional and modernist views of truth, reality, knowledge and personhood.

Narrative inquiry was used as a research method throughout this study as the format of data generation was via an autoethnographic journal, which was interpretivist in nature and being grounded in interpretive hermeneutics and phenomenology, it is a form of qualitative research that involves the gathering of narratives—written, oral, visual—focusing on the meanings that people ascribe to their experiences, seeking to provide "insight that (befits) the complexity of human lives" (Josselson, 2006). But narrative inquiry is more than the uncritical gathering of stories. Narrative inquirers strive to attend to the ways in which a story is constructed, for whom and why, as well as the cultural discourses that it draws upon. The term narrative carries many meanings and is used in a variety of ways by different disciplines, often synonymously with story, the narrative scholar pays analytic attention to how the facts got assembled that way. For whom was this story constructed, how was it made, and for what purpose? What cultural discourses does it draw on—take for granted? What does it accomplish? (Riessman & Speedy, 2007).

In the gathering and telling of "stories", we are gathering "knowledge from the past and not necessarily knowledge about the past" (Bochner, 2007), thus:

> *"Making stories from one's lived history is a process by which ordinarily we revise the past retroactively, and when we do we are engaged in processes of language and describing that modify the past. What we see as true today may not have been true at the time the actions we are describing were performed. Thus we need to resist the temptation to attribute intentions and meanings to events that they did not have at the time they were experienced."*

As a method, autoethnography combines characteristics of *auto*biography and *ethnography*. When writing an *autobiography*, an author retroactively and selectively writes about past experiences. Usually, the author does not live through these experiences solely to make them part of a published document; rather, these experiences are assembled using previous experience (Bruner, 1993; Denzin, 1989; Freeman, 2004). In writing, the author also may interview others as well as consult with texts like photographs, journals, and recordings to help with recall (Delany, 2004; Didion, 2005; Goodall, 2006; Herrman, 2005).

The definition of autoethnography is:

An approach to research and writing that seeks to describe and systematically analyse (graphy) personal experience (auto) in order to understand cultural experience (ethno) (Ellis, 2004; Holman Jones, 2005).

Thus, as a method, autoethnography is both process and product. This definition is congruent with the narrative inquiry principle of the researcher's story being intrinsic to the study. Autoethnographers engage in intense and transparent reflection and questioning of their own position, values, beliefs and cultural background.

3.3.1.5 Action Research and its link to Narrative Inquiry and Case Study Research

Action research aims to contribute both to the practical concerns of people in an immediate problematic situation and to the goals of social science by joint collaboration within a mutually acceptable ethical framework (Rapoport, 1970:449). This suggests that action research should be carried out in conjunction with narrative inquiry and case study research as the previous sections (3.3.1.2 and 3.3.1.3) have already highlighted the fact that case study research is designed to provide practitioners with tools whilst the researcher is completely embedded within the case to ensure complete collaboration between the researcher and the case. McKay and Marshall (2001:46) suggest that a researcher is interested in both solving issues or problems within a host organisation and contributing to a body of knowledge within a discipline.

Due to the nature of the research the researcher was sitting in an action research spiral (Figure 3.4), which meant that the research and model developed through incremental change whilst also trying to create change within the case study company. As suggested by Childs (2002), each point of reflection contributed to the continuing investigation being conducted and this became a formative evaluation of the study within the case study company and also of the final model created.
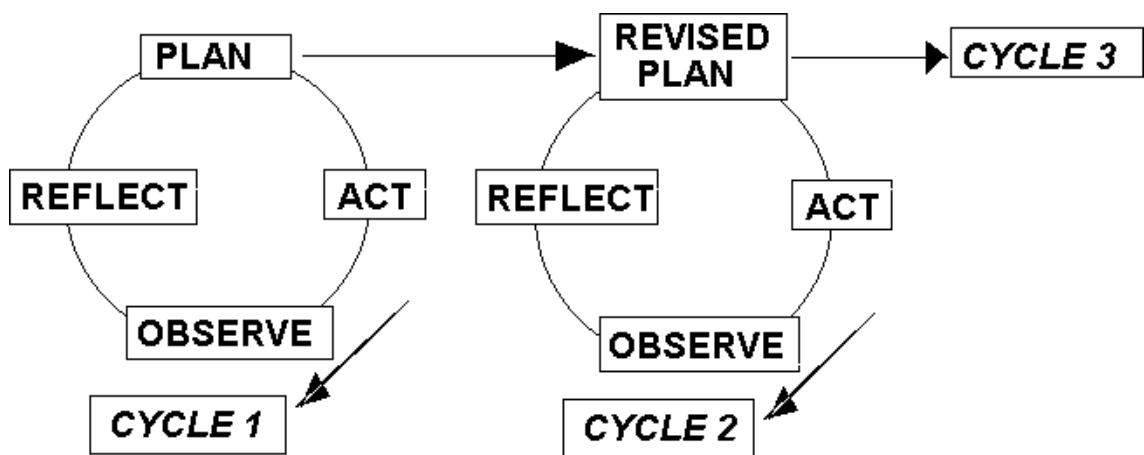
Figure 3.4 Action research Spiral

The researcher has become deeply embedded and personally involved with the development of marketing practices within the case study firm, and through this experience has been able to make informed contributions to the development of 'marketing within hi-tech SMEs' as well as within the wider marketing discipline (Gummesson, 2000). Yin goes on to explain (Yin, 2008: Rhee, 2004) that a case study is a comprehensive research strategy that deals with situations 'in which there will be many more variables of interest than data points'. The researcher must be aware at all times of the changes they may effect during the process (Figure 3.5 and Figure 3.6).

Perry and Gummesson (2004) have sought to relate the concepts of action research (see for example: Lewin 1948; Revans 1982) to research marketing in related management practices. Throughout their literature they have proposed a well-constructed justification for the practice of blended methodology, based on the pursuit of: 'theory building from particular situations for the emerging body of knowledge about a phenomenon' (Perry and Gummesson 2004:315).

The distinction between 'intention' and the 'invitation' to effect change (Figure 3.5) in the research is subtle (Susman and Evered, 1978) and is closely aligned with the idea of the researcher as 'describer' in case research and 'implementer' in action research (de Vreed, 1995) (Figure 3.7).

Figure 3.5: Distinction between 'intention' and the 'invitation' to effect change (Susman and Evered, 1978)

As a form of linkage between methodological paradigms this can be reinforced conceptually with the additional concept of the 'observer' as participant-observer, a position taken for use in this study reinforcing the idea of the

observer simultaneously critically comparing the phenomena, the unknown, with the known (Figure 3.3) and in so doing building new insights and understanding (Chapter 6).
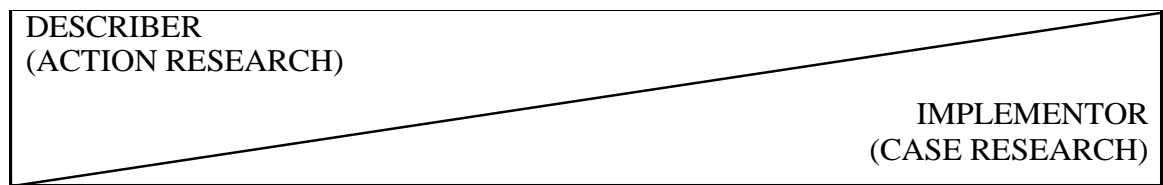
Figure 3.6: Describer vs. Implementer (de Vreede, 1995)

However, there is a distinction between the subtleties of an intention to effect change and an invitation to make comment or report on observations made and therefore effect change (Susman and Evered 1978). We may view case research as sitting at one end of a continuum, with action research at the other. In case research the researcher is a 'describer', whereas in action research the researcher is the 'implementer' (de Vreede 1995). In the middle is the 'observer' who is socially interacting with case participants and has an inside and working view, yet is not a full participant in the phenomenon. The 'observer' descriptor reflects the participant-observer stance taken in this study (Figure 3.7: The location of observer in the case study continuum (Deacon, 2008).
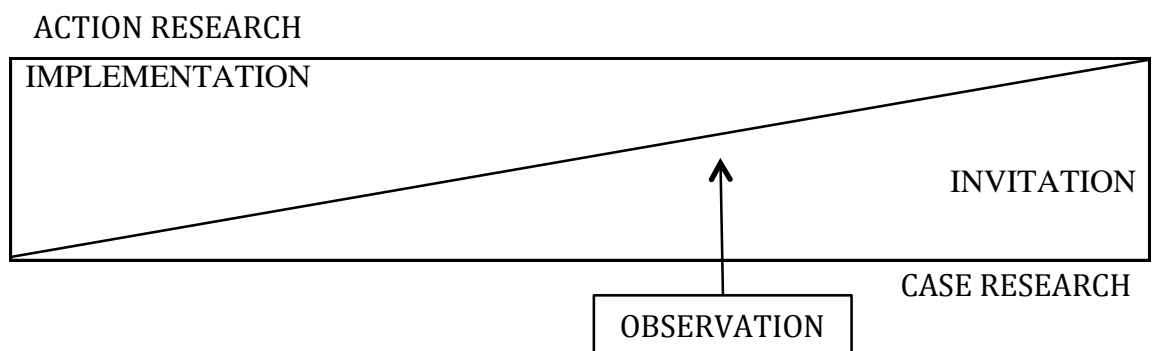
Figure 3.7: The location of observer in the case study continuum (Deacon, 2008)

Here, it is necessary to note that the researcher has become personally involved within the development of the marketing process within the described environment by invitation and through her experience is also able to make

informed contributions to the development of marketing knowledge within the discipline.

3.3.1.6 *Type of case: inquiry from the inside*

Evered and Louis (1981) describe two approaches that acknowledge multiple perspectives to inquiry from within in regard to organisational or societal groups.

1. 'Inquiry from the outside' – Researcher as an objective external observer.

2. 'Inquiry from the inside' – Researcher as a subjective participant-observer.

They acknowledge that there are multiple perspectives from which to view an organisation, social group or culture, the concepts of the 'researcher' and 'consultant', highlighting the extremes of perspectives. Inquiry from the inside carries with it the assumption that the researcher can best come to know the reality of an organisation by being 'immersed', by becoming part of the phenomena of the study.

Both approaches are concerned with the understanding of activities within organisations, however, they differ in what issues are considered to be most important (Evered and Louis, 1981). In 'inquiry from the inside', researchers make direct experiential contact with the participants, within specific situational contexts. Researchers using this approach involve themselves directly in the setting in order to appreciate the social phenomena in light of the context of which they occur, whilst at the same time from the participants' point of view. They argue that 'inquiry from the outside' is deductive and reductionist, leaving behind the richness of situational specifics. It can be seen that the positivistic 'outside' approach is defined by a detached, neutral observational approach whereas the preferred experiential 'inside' paradigm gives us an interpreted, contextually embedded meaning from the particular knowledge acquired.

Whilst it can be argued that both approaches have value, the author's research intent is best served by the 'practical immersive' approach to 'inquiry from the inside'. The approach of 'inquiry from the inside' reflects and supports the personal ontology (Section 3.2.1) of the researcher in the epistemological (Section 3.2.2) insight about the research interface issues that are developed and therefore inform this work.

Mode	Primary purpose of knowledge-yielding activity		Role of researcher
	Organisational action	Organisational inquiry	
From the inside	Coping Action-taking Managing Surviving	Situational learning Action research Clinical practice Case research Autoethnography	Organisational actor Participant-observer
From the outside	Organisational design and engineering Controlled experimentation Social technology	Traditional positivistic science	Unobtrusive observer Data analyst Rationalistic Model builder

Figure 3.8: Alternative modes of inquiry (Evered and Louis (1981))

In summation there are a number of reasons why the researcher of this study is drawn to the Evered and Louis (1981) concept of a practical approach of inquiry 'from the inside'. Firstly, it mirrors the approach that 'inquiry from the inside' reflects and supports the personal ontology of the researcher in the epistemological insight about the research interface issues that are developed and therefore inform this work. Secondly, the researcher is also a marketing practitioner, with 8 years' experience working for firms ranging from SMEs up to larger corporations, and has always had an interest in entrepreneurial marketing with a specific attention to high- tech business.

The research sets out to explore the way in which marketing is or is not carried out with a high technology based small business and the reasons for this. This type of research lends itself to a case based methodology, based around a participant-observer method, which is concurrent with an 'inquiry from the inside' approach. Due to the contextual nature of the case research and the holistic nature of the study, the research 'footprint' (Carson, *et al.*, 2001) thus reflects an interpretivist/relativist position as discussed in section 3.2.3.

3.3.2 Unit of Analysis

Within case research, a fundamental phase of the method is to establish 'what constitutes a case' (Carson, *et al.*, 2001:95). Such a definition is therefore intrinsically linked to the research aim.

The research issues explored within this thesis relate to the way in which marketing is carried out in the context of a high technology based small firm, which means that the focus of this research is the development of understanding of how a high technology based small firm goes to market, and the marketing techniques used in the process. This has been possible as the researcher has been embedded within the case study company and has been carrying out exploration via inquiry from within. Therefore the unit of analysis that constitutes a case within this study will be individuals within the case study company (Table 3.6) and their clients (Table 3.7). The units of analysis have been separated into two categories as the internal and external 'voice' of the company needs to be highlighted.

Role	Human Interaction
Managing Director	Medium
Business Development Director	High
Technical Director	Low
Marketing Manager (Researcher)	Medium

Table 3.6: Primary Units of Analysis

No.	Industry	Respondent Role
1	Security Services	Administration Director
2	Janitorial Equipment Supplier	Managing Director
3	Information Technology Equipment Supplier	Director
4	Office Equipment Supplier	Director
5	Personal Protective Equipment Supplier	Project Manager
6	Office Equipment Supplier	Director
7	Information Technology Equipment Supplier	Director
8	Personal Protective Equipment Supplier	E-Commerce Manager
9	Personal Protective Equipment Supplier	Marketing Manager
10	Personal Protective Equipment Supplier	Managing Director
11	Office Equipment Supplier	E-Commerce Manager
12	Leisure Equipment Supplier	Marketing Director
13	Hardware Supplier	Managing Director
14	Office Equipment Supplier	Managing Director
15	Office Equipment Supplier	Group IT Manager
16	Office Equipment Supplier	Managing Director
17	Office Equipment Supplier	Group Operations Director

Table 3.7: Secondary Units of Analysis

3.3.3 Selection of Case

The study seeks to show how the combination of industry, customer and prospect information scanning and entrepreneurial and relationship marketing can be combined along with some more administrative marketing methods to provide the best possible chance for market growth in a high technology based small firm.

The supposition of the research is that this link is needed to help high technology based small firms successfully go to market. Hultman (1999) suggests that in future research, especially at the marketing and entrepreneurship interface; it may be fruitful to integrate concepts from both the marketing mix and the relationship marketing frameworks. This mix, along with

integrating business to business marketing and entrepreneurial marketing will be looked via the case study.

Bearing this in mind, this research aims to answer the following question, through autoethnographic case study research, using the headline themes in Table 2.3 (Section 2.12): *How can the combination of Intelligence, Innovation and Interfacing help high technology based small firms go to market? A Case Study*

3.4 Data Generation

So far, this chapter has considered the paradigmatical and methodological theoretical issues of the development of knowledge in this study. Throughout this next section, the discussion turns to the practical aspects of the study – how was the data generated in context.

3.4.1 Data generation method

Within the case study method there are a number of ways with which data can be generated (Remenyi *et al.*, 1998; Yin, 2008). The ontological (3.2.1) and epistemological (3.2.2) stance outlined in this chapter therefore suggest that observations (participant) and interviews (responsive) are the most appropriate methods for generating data within this study.

3.4.1.1 Participant observation

Some have described participant observation as an oxymoron (Ellen, 1984) as it appears improbable that you can simultaneously observe and be an actor in a particular social construction.

Participant-observation has been used by the researcher as part of the case study research as the researcher spent 18 months embedded within the case study company, working as part of the company, whilst observing the actors and their personalities change throughout the study. Crabtree and Miller

(1999:47) view participant observation as 'a process we use in everything we do'. Lindemann (1924) distinguished between 'objective observers', who sought an insight into culture from the outside (using interviews) and 'participant-observers' who use observation to gain insight to culture from within.

Hughes (2005) defines participant observation as the 'observation of people in situ; finding them where they are, staying with them in some role, which while acceptable to them, will allow both intimate observation of certain parts of their behavior, and reporting it in ways useful to social science but not harmful to those observed'. Walcott (2005:44) adds that participant observation is a form of inquiry in which one is immersed personally in the ongoing social activities of some individual or group for the purposes of research.

This gives us a method of generating data that has a foundation within social and cultural anthropology, where the choice of using a participant observation approach 'relates to the significance of the cultural context and observing behaviours in answering the research question' (Crabtree and Miller 1999:48).

Table 3.8 shows the different types of data collection that are involved with participant observation, showing that there is a variety of methods that can and have be used as part of the study.

This study focusses most significantly on participant-observation as the researcher was embedded within the case study company for 18 months. Throughout the study a number of the data collection methods mentioned in Table 3.8 have been used, the most prolific being observation notes in the form of a daily journal, which detailed not just the work carried out by the researcher, but the reactions and opinions from the other actors in the business. It will also look at the change in the culture of the business over the 18-month period, and how having a marketing professional in the business changed the way in which the actors think and act with regard to going to market.

Data Type	Description	Pros and Cons
Observation notes/ audio/video	• The baseline for participant-observation, notes, and recordings • Written/transcribed /digital record of what the researcher saw, heard, or felt during the observation period	• Very open to emergent data, little/no instrument bias • Can be difficult to capture in some venues, time-consuming to analyse, subject to the bias of the researcher regarding what to note or record
Casual conversations/ informal interviews	• Notes or recordings of actual conversations	• Captures data in the vernacular and in context • May not be relevant to research objectives, can be hard to accurately record in some settings • May be highly idiosyncratic and difficult to analyse
Semi-structured or structured interviews	• Interviews conducted using an interview guide	• Provides data relevant to the research objectives • Takes the encounter into a "research" mode that decreases some aspects of the natural context
Counts of specific observations	• Counts of the frequency/ intensity/source of specific behaviours of interest - usually collected with the aid of a template listing the types of things to be counted	• Provides data that can be used to identify norms or make comparisons between events/times/individuals, and so on • Requires the development of a data collection instrument and the ability to accurately record the behaviour of interest in the field setting
Process flows	• Visual or verbal records of common processes - often laid out in a flow chart or stepwise diagram	• Excellent for understanding sequenced events (work flows, manufacturing processes, decision processes) • Can be challenging to capture • Danger of capturing an idiosyncratic version
Lists and categories	• Lists of items,	• Provide both list content and

	categories and inclusion/exclusion rules	cultural meaning
		• Can be tedious to collect and may be difficult to extract "rules"

Table 3.8: Types of Data Collection in Participant Observation developed by author.

3.4.1.2 Interviews

The researcher has used interviews as part of the case study to enable some external research with the case study company's clients to gain an understanding into the relationships between the case study company and the clients. Interviews are one of the most important data-gathering techniques for qualitative researchers in business and management. They are used in almost all kinds of qualitative research and are the technique of choice in most qualitative research methods. Interviews allow us to gather rich data from people in various roles and situations. It has been said that qualitative interviews are like night goggles, 'permitting us to see that which is not ordinarily on view and examine that which is looked at but seldom seen' (Ruben and Ruben, 2005).

This study falls within the range of interviews that are focussed on understanding meanings and developing frameworks within Ruben and Rubens' (2005) 'two-dimensional model, comprising on the one axis: 'breadth of focus' (narrow or broad) and on the opposite axis: 'subject to focus' (meaning or description)'. However, this study straddles the polarity of scope in order to develop understanding and therefore the analysis enables the researcher to consider conceptual clarification, theory elaboration and autoethnographic interpretation within the framework described and enables;

    a. Conceptual clarification:

        Seeks to explore the views held by the case study company's clients and their relationship with the case study company and looks

to see how part of the conceptual model is relevant (market intelligence and human interaction).

b. Theory elaboration:

Identifies a specific problem, investigates the detail of that problem and interprets, captures and reports those aspects of the emergent cultural and process change that impact upon the experience of the case study company's clients within the research and reflecting on themes that may have a broader significance.

c. Autoethnographic interpretation:

Attempts to interpret the relationships between the two communities through the use of language used and commonalities between the answers given during the interview process.

The style of interviews ranges between structured and unstructured interviews. The researcher will be using semi-structured interviews as part of the study within the case study company. The advantage of this style of interview is that it tries to take the best of both approaches (structured and unstructured) while minimising the risks. It gives the interviewee the opportunity to add important insights as they arise during the course of the conversation, while the previously-prepared questions provide some focus as well.

3.5 Analysis of generated data

This section of Chapter 3 focuses upon the approach taken to data analysis. Firstly the criteria for analysis are defined (3.5.1) and then an explanation of how these criteria were applied to the generated data in this study in the analysis stages (3.5.2).

3.5.1 Criteria for analysis

As discussed in Chapter 2, the extant literature in the areas of entrepreneurial marketing, marketing in high technology based small firms, business to

business marketing and relationship marketing concentrates separately on each topic, without the formation of theory combining these topics. This literature has been distilled down into three headline themes which are the contemporary research issues that will be used as the criteria for analysis. The literature around market intelligence has been looked at in various sections of Chapter 2, and a number of authors have suggested the need for MARKET INTELLIGENCE:

Collinson & Shaw (2001) explain why networks contribute to the marketing effectiveness of entrepreneurial organisations. When lacking market information and knowledge, such organisations often make use of their personal contact networks to provide them with the market information and advice they need if they are to develop their business further and progress throughout the entrepreneurship process. Also, with the lack of time and resources for a number of entrepreneurs, they often glean marketing information through conversations with people they interact with on a daily basis, and this constitutes the market scanning which is used to keep them up to date about conditions and changes in their market (Carson *et al.*, 1995).

Gilmore *et al.* (2001) suggest that competitive advantage is very important for SMEs and may emanate from innate SME communication activities, such as interacting and participating in social, business and trade activities. These networking activities form the primary source of market intelligence on which SME planning is based.

This literature highlights the need for market intelligence, and as part of the criteria for analysis, the researcher will be looking for an inference towards the use of or the need for this throughout the data generation in Chapter 4.

The next criteria for analysis is MARKETING INNOVATION. Again, throughout Chapter 2 this has been highlighted.

With the advent of the internet technology, the traditional marketing frameworks are redesigned and supported by electronic technologies to create innovative marketing models (Chaffey, 2004; Lagrosen, 2005).

This highlights the value of seeking to understand innovative marketing as practised by SMEs. Despite the significance of marketing and innovation to SMEs, Simmonds (1985), Hills and LaForge (1992) and Kleindl *et al.* (1996) note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of innovative marketing theory relevant for SMEs (O'Dwyer, *et al.*, 2009). Eggers' presentation on clusters suggests that there is a foundation of research for SME marketing upon which to build. Beyond that, there is tremendous practical significance to researching small business or SME marketing (Hansen *et al.*, 2010).

The above literature and also the extensive literature throughout Chapter 2 shows the need for marketing innovation in SMEs and more particularly, high technology based SMEs. This will be the second criteria for analysis that the researcher will be looking for in the following chapter. The researcher will be looking for evidence of marketing innovation that has been used or introduced throughout the study and the effect that this has had on the case study company.

The third and final criteria for analysis is HUMAN INTERFACING.

As Grönroos (1990) states, marketing establishes, maintains and enhances long-term customer relationships at a profit, so that the objectives of the parties involved are met. Business to business marketing involves relationship marketing (Hunt *et al.*, 2006) and it needs to build a strong brand first with marketable unique selling points (USPs) before trying to focus on how and why their current customers buy, which will then lead to how to market to their new potential customers, therefore the importance of building strong relationships is imperative for business to business organisations to succeed (James, 2012).

Albadvi & Hosseini (2011) suggest that the concept of business to business marketing has linkages between the fields of relationship marketing and value-based marketing. On one hand, relationship marketing has focused on relationships, networks and interactions (Gummesson, 2002) and is defined as attracting, maintaining and enhancing customer relationships (Berry, 1983).

Gilmore *et al.* (2001) and Hill (2001) discovered that SME owner-manager networks existed in various guises, including: personal contact networks, social networks, business networks, and marketing networks.

The above sections of literature that have been taken from relevant authors highlight the types of human interfacing that the researcher will be seeking to extract from the data generated throughout the case study in Chapter 4.

3.5.1.1 *Qualitative data analysis*

Yin (2008) explains data analysis as a process of inspecting, categorising, tabulating and modelling data with the goal of highlighting useful information, suggesting conclusions, supporting decision making and addressing the initial proposition. Creswell (2003) points out that data analysis has multiple approaches, encompassing diverse techniques under a variety of names, in different businesses and sciences, and it is incumbent upon the researcher to develop a general data analysis strategy as part of the case study data design.

The interpretation of data is recognised as a critical and difficult phase in qualitative research (Lindlof and Taylor, 2010) and there are some excellent sources of reference available to the researcher to guide him through the process (see for example Yin, 2008; Glaser, 2005; Baxter and Jack, 2008). There is no one approach of qualitative data analysis, but rather a variety of approaches, related to the different perspectives of the researcher (Glaser, 2005). Researchers are also advised that successful qualitative research is entirely dependent upon a constant interaction among the research design, data collection, and data analysis (Echtelt *et al.*, 2006).

3.5.2 <u>Thematic Analysis</u>

Using the headline themes as pointed out in Table 2.3 it was possible to consider the components of the marketing process that will help a high technology based small business successfully go to market. These components have been expanded on in section 3.5.1 to confirm the criteria for analysis for the data generated throughout the case study.

The format that the analysis will take in Chapter 4 is that of a narrative theme analysis. The narrative attempts to *explain* or *normalise* what has occurred; it will lay out why things are the way they are or have become the way they are. Narrative, therefore, can be said to provide a portal into two realms: (i) the realm of experience, where the researcher lays out how they as individuals experienced certain events and confer their subjective meaning onto these experiences; and (ii) the realm of narrative means (or devices) that are put to use in order to make (this) sense. The researcher in this instance will be focussing on the realm of experience and sets to provide a comprehensive account of what happened during the researcher's time within the case study company and the meaning behind what events occurred in relation to the three main themes to be analysed.

When considering the individual components, analysis has been undertaken by interpreting meaning from the generated data and placing such meaning against each component, as can be seen in Table 2.3.

Accordingly, for this study, the data were analysed with a view to developing insights into the role of marketing in high technology based small businesses, the types of marketing used, and the opportunities that they provide. Thematic analysis was conducted, and summarising the research was the basic analytic strategy (Miles & Huberman, 1994). Summarising the journal was an iterative process, involving working through the whole ethnographic journal and fitting

this into the criteria for analysis as set out in Section 3.5.1. This can be seen in Appendix 7. An inductive approach to classifying was employed for the thematic analysis in order to avoid 'rigidity and premature closure that are risks of a deductive approach' (Lapadat, 2009).

A number of previous researchers have also used qualitative research methodologies to develop marketing theory (Bonoma, 1985; Kohli and Jaworski, 1990; Frazier and Antia, 1995; Workman, Homburg et al., 1998). Thematic analysis is an extensively used method for developing meaning from verbal responses or written observations (Aronson 1994). This qualitative method provides themes based on observations that allow us better to understand a given process (Aronson 1994), in the researchers case, marketing in high technology based small businesses. Thematic analysis provides meaning to fragments of ideas by providing a holistic "sense making" context (Leininger 1985) and that may be overlooked using alternative approaches. Finally, the choice of a qualitative method such as thematic analysis used with a purposive yet small sample of one case study company allows an understanding of the specific problem being research which is required to develop research propositions as opposed to resulting in generalisable findings (Warwick and Liniger 1975).

3.6 <u>Limitations of the research</u>

In Chapter 1, the delimitations and main assumptions of this research are outlined and briefly discussed.

Limitations have been mitigated throughout this study through the approach taken and the methods utilised and justified. The rigorous nature of this inquiry has been developed by appropriate application of a research design (Section 3.3) and methodology (Section 3.3.1) based upon the philosophical (Section 3.2.3), ontological (Section 3.2.1) and epistemological (Section 3.2.2) positions. Any limitations for this research study have been highlighted below:

Sample size – this study is focussed on just one case study company. This could be seen as a limitation with regard to the amount of data that is collected,

however, the researcher was based in the company over an 18-month period, which enabled a longitudinal study and ultimately a suitable sample for the study.

Lack of prior research studies on the topic – as can be seen in Chapter 2, there is a lack of research studies on the refined topic of marketing in high technology based small businesses, so a lot of the research that has been carried out has been subject to the prior knowledge of the researcher through professional experience, as well as application from the various literature reviewed in Chapter 2.

Self-reported data – self-reported data could contain several potential sources of bias that should be noted as limitations: (1) selective memory (remembering or not remembering experiences or events that occurred at some point in the past); (2) telescoping [recalling events that occurred at one time as if they occurred at another time]; (3) attribution [the act of attributing positive events and outcomes to one's own agency but attributing negative events and outcomes to external forces]; and, (4) exaggeration [the act of representing outcomes or embellishing events as more significant than is actually suggested from other data].

Participant observation - Several researchers have noted the limitations involved with using observations as a tool for data collection. For example, DeWalt and DeWalt (2002) note that male and female researchers have access to different information, as they have access to different people, settings, and bodies of knowledge. Participant observation is conducted by a biased human who serves as the instrument for data collection; the researcher must understand how his/her gender, sexuality, ethnicity, class, and theoretical approach may affect observation, analysis, and interpretation.

Schensul *et al.* (1999) refer to participation as meaning almost total immersion in an unfamiliar culture to study others' lives through the researcher's participation as a full-time resident or member, though they point out that most observers are not full participants in community life. There are a number of things that affect whether the researcher is accepted in the community,

including one's appearance, ethnicity, age, gender, and class, for example. Another factor they mention that may inhibit one's acceptance relates to what they call the structural characteristics—that is, those norms that exist in the community regarding interaction and behaviour (p.93). Some of the reasons they mention for a researcher not being included in activities include a lack of trust and the community's discomfort with having an outsider there.

In summary, the researcher acknowledges the wider debate and critique of interpretivist studies and other less significant limitations. However, through the justifications articulated throughout this and preceding chapters, any doubt to the rigour of approach has been eliminated in favour of a methodology best suited to the aim of seeking a depth of insight of an under-researched phenomenon.

3.7 <u>Ethics</u>

In the social science research field like that which is being studied in the thesis, the concept of ethics attracts increasingly more attention and is becoming more important (Mingers and Walsham, 2008; Norris, 1997). According to Mingers and Walsham (2008), ethics refers to how we should act or judge actions as good (right) or bad (wrong). Cooper *et al.* (2008) also addressed the same meaning that regards ethics as the norms or standards of behaviour that guide moral choices about our behaviour and our relationships with other. Therefore, Saunders *et al.* (2009) claim that research ethics mean that researchers use a moral and responsible way to conduct the whole research.

Ethical behaviours are positive for both society and research. Israel and Hay (2006) claim that when researchers act ethically it can protect others (communities, environment), minimising harm and increase the sum of good. Ethic behaviours also assure trust and research integrity (Israel and Hay, 2006). The ethical behaviours of researchers can benefit the trust established between researchers and participants. Ethical issues may emerge at any stage of the research, such as when researchers make the research plan, contact respondents and collect, analyse and present the data (Persson, 2011).

The area tackled by the study was thought to be of little ethical threat to wider society, investigating as it does creates a conceptual proposition within the practice of marketing within a high technology based small business and focus upon the construction of theory. Nevertheless, the study upholds academic integrity proposing protocol, process and findings in a true and fair way, detailing any limitations present and justifying any methods chosen and actions taken.

Whilst the researcher was embedded within the case study company it was often that she would be privy to confidential conversations and documents, and as such, the ethnographic journal that was created was the researchers' viewpoint on what was happening around her, rather than writing down each interaction verbatim. The journal set to record what was happening in the wider context of the business and how this related to the actions being carried out by the researcher. Carrying out the data collection this way helped to circumnavigate the need for consent forms for each conversation and it also meant that the case study company were able to be much more open and honest, whilst the researcher was able to dig deeper into the organisation without having to tread lightly for fear of discovering or revealing confidential information.

3.8 <u>Reflections</u>

As the research being carried out was interpretivist participant-observation the researcher was always going to have some bias when being so embedded in the case study company for a long period of time, but also as the researcher has gone into the case study company with numerous years of practitioner background there was some bias from the researchers' background. However, the researcher went into the case study company with an open mind and taking into account the need for observation and then action relevant to the business rather than the other way round. This has been acknowledged in the research limitations above (section 3.6). The researcher noted down all observations including ones that seemed bias in nature to ensure that the data analysis was

comprehensive and the thematic analysis took into account all issues that were observed and also the change within the case study company, be it good or bad. The researcher was aware at all times of the changes they may effect during the process (Figure 3.5 and Figure 3.6) and as part of first-person action research it involved the researcher adopting an inquiring approach to their own assumptions, perspectives and action, seeking to be aware and see how choice in a given context affects change, and to develop their practice in some way.

When the autoethnographic journal was analysed and transcribed it was important to ensure that it was unedited to show all observations, where the researcher had affected change and also to show the emotions, psychology and personality of the all the actors within the case study company.

The journal also showed where issues in the case study company arose. For example, the organisation was not marketing oriented, they were a fast growth high technology business focussed on creating the best ecommerce systems and all the technical aspects. Therefore, when the researcher suggested the need for research with current customers and the methodology behind it (Section 3.4.1.2) it took time to re-educate the case study company in the need for this market research. Once the section of research had been carried out (Section 4.3) this was able to then help to develop the conceptual model (Figure 2.4) into the find descriptive model (Figure 5.1).

3.9 <u>Chapter Summary</u>

For any research, within the domain of business, and especially at the interface of marketing and entrepreneurship and small firms' management, to have a true value, it perhaps should be valued equally within the practitioner and academic fields. The former will value the quality of insight gained into a management practices – the latter will value the quality of the methodological justification in order to develop new insight into the marketing in high technology based small businesses.

Therefore, this chapter has outlined the approaches used to achieve the desired outcome for both 'business' constituencies. Within this context an approach has been chosen that seeks complete immersion within the case study company to study the phenomena, so that a richness and depth of meaning in the outcomes is achieved. As suggested by Carson *et al.* (2002), the author purposefully refrained from constraining the research to pre-informed parameters of collection and analytical methods, preferring to use a mixture of interpretative approaches such as an thematic analysis, case study research, narrative enquiry and autoethnographic methods to assist in the development of knowledge that takes into account the influences, detail, context and characteristics of the phenomena.

Finally, in support of this goal, an appropriate ethical stance has been taken to the approach, operation and reporting of the research. Chapter 4 will report in detail the data generated through the time the researcher was embedded within the company. Due to the nature of autoethnography and narrative inquiry, the format of the data generated will be presented in the active voice of the researcher as Chapter 4 is the written account of the time the researcher was in the case study company. Furthermore, Chapter 5 will report the findings of the study using the criteria for analysis as outlined in section 3.5.1.

4   Case Study Narrative

The previous chapter has highlighted the interpretivist nature of the case study research that is being carried out in that it is 'socially constructed rather than objectively determined' (Carson et al. 2001).   The methods of research that will be used – case study, participant observation, interviews and auto ethnography (3.3.1 Research Methods) will be represented in the active voice as this is a true representation of case study as pointed out in section 3.8 this chapter. Having determined and described the most suitable methods of data collection and analysis in Chapter 3, this chapter now comprises the data collected during the period of participant observation in the case study organisation.

Section 4.1 commences with a description of the case study company, based on observation of the author and documentary evidence. This data places the subject in context and provides a framework onto which the more weighty data from the ethnographic narrative, survey and interview data can be placed.

Section 4.2 contains the initial narrative, from the author's point of view, of the activities carried observed in the initial phase of ethnographic observation and the way in which the case study company originally went to market, followed by the changing nature of the business as the researchers time progressed. The data contained in this section informed the further research of the entrepreneurs.

Section 4.3 summarises the findings of survey research undertaken with clients as well as the results of interviews undertaken with prospective clients of the case study company. This data further informed the next ethnographic phase.

Section 4.4 returns to the ethnographic narrative. Moreover, the concept of a situation-specific praxis of a high technology based small business, given the epistemological stance, will be explored and interpreted through an immersion in the understanding of the processes and operations with regard to marketing within the case study company, and how this is affected by the director's perception of marketing.

Therefore this chapter has been separated from the methodology chapter as the data that has been captured throughout the research has been very much observational and it combines both the data collected and an initial element of analysis as is seeks to explain all of the activities that were undertaken whilst based at the case study company, and the responses from the various actors within the business, whether these were verbal, written or physical responses. This initial analysis is examined further in Chapter 5, where the research questions are revisited and addressed.

4.1 Case Study Company Profile

Founded in 2001, the case study company is a London-listed company and creator of an ecommerce platform, which is commercially proven at all levels and powers highly successful wholesalers, distributors, manufacturers and retailers in a wide variety of business to business and business to consumer environments.

The case study company is a growing high technology based SME. The case study company builds business to business ecommerce solutions for companies who want to sell their products online. The ecommerce platform is also proving to be a suitable alternative for wholesalers, distribution, manufacturing and retailing companies whose own ecommerce solutions are struggling to cope. The case study company solutions already process several hundred million pounds worth of online sales for many leading companies, across a number of industry sectors. The case study company deals with everything from design, development, integration and even mobile device ecommerce. The company is headquartered in Port Talbot, South Wales and has clients throughout the United Kingdom.

The case study company's ecommerce solutions specifically address the demanding requirements of business to business operators with many advanced features, which are unique to their offering. With millions of pounds being processed each day by their solution it is truly scalable and reliable to the highest levels of transaction processing. In addition to business to business

they also have a fully-featured list of business to consumer features, which includes all the latest technologies.

Considerable efforts have been made by the company to date to ensure that these technologies have commercial application and the company has steadily built up a varied and notable client base which currently includes leading manufacturers, distributors, wholesalers and retailers who operate across a number of different sectors. However, as is typical of many software companies founded by IT professionals the expertise that exists in-house at the case study company is largely imbalanced, dominated and focussed on the technology (more so than marketing). Whilst the company benefited from the basic marketing skills of its founding directors which had seen the company successfully closing six-figure sales contracts with large companies there was an identifiable gap of any formal structured marketing strategy or marketing expertise in place which needs to be addressed for the company to reach its full potential.

For a technology-driven company such as the case study company, the owner-managers believed that it was time to advance from generic traditional marketing functions into effective, responsive and resource-optimised style marketing solutions that are applicable to them. Many of the methods and approaches used in taking technology to market are based upon models developed for an economic era before the evolution of computer and particularly web-based technologies (Mannermaa, 2000). It is not without some surprise then to observe that many of these methods are out of date for the dynamic technology-driven economic and global era that firms now have to compete within. The reality for many tech firms, such as the case study company, is that whilst a deep understanding of the technology exists within the firm, little, if any, knowledge exists of how to take the technology to a viable market.

The next section comprises the initial ethnographic narrative as described in the preamble above. This section was used to generate the research framework for

the customer research activity and provides the original data used to answer the research question.

4.2 <u>Phase 1 – August 2011 to May 2012</u>

When I first started in the case study company they had not had a marketing professional working for them full-time, and since the company had started in 2001, they had trialled various marketing agencies, but without much success. On the first day the board of directors had put together a basic 10-point marketing plan that they wanted me to follow:

1. *Define USP*
2. *Refresh website*
3. *Email Marketing Campaign*
4. *Build a database of back office software companies (licensing project)*
5. *Contact above database gauge demand (licensing project)*
6. *Licensing email marketing campaign*
7. *Licensing website*
8. *SEO*
9. *Social Media Marketing*
10. *Case Studies*

I took a look at this plan and realised that it needed to be more substantial to be effective, therefore a new marketing plan was written and passed back to the board of directors to be considered. The list of marketing activities I suggested can be seen below:

1. *E-mail Marketing Campaign*
2. *Newsletter*
3. *Social Media*
4. *External Analysis of the company*
5. *Help define a strong "unique" brand message and hooks*
6. *Competitor Analysis*

7. *Customer Satisfaction Surveys*

8. *Website content improvement*

9. *Focus Groups*

10. *Telephone number*

11. *E-mail responses*

12. *Case studies*

13. *Build a database of "close fit" back office software companies*

14. *Obtain feedback from a small cross section of the 1000 prospects using the phone to conduct interviews with the aim of initially establishing / gauging likely demand*

15. *Having established some new "hooks" from speaking to the sample cross section of prospects use this intelligence to create a very relevant BYM email campaign which has the sole purpose of delivering back office Software Company meetings dates*

16. *Develop a new 'licensing' website to help us support this new area of the business*

17. *Once a 'licensing' website has been created, to then look at existing technology and Intellectual Properties (IPs)*

18. *Network architecture that will work as an interface between the business and external clients*

19. *Understand the 'Theory of Effectuation'*

20. *SEO*

21. *PR*

22. *Academic Paper to be written based on a subject to be decided*

23. *Marketing Promotional Video*

24. *Exhibitions*

The feedback received from the board of directors to this plan was very positive in that they agreed to all the action points and wanted to me start on these as soon as possible. In terms of marketing strategies, the case study company were keen to create a joined up strategy of proven and novel techniques designed and implemented to achieve secure longer-term strategic objectives of commercialising the intellectual property of the company and ultimately growing

sales revenues in the future the plan was accompanied by a Gantt chart showing what would be done and when, also showing which elements would be done alongside each other, making it clear to the board that marketing strategy cannot be done 'bit by bit' but has to be aligned, cohesive and concurrent. This started to show the naivety of the directors as to what 'going to market' really involves. Once the plan had been agreed, and the timeline had been completed, a number of things happened at once.

The email marketing campaign, newsletter design, website redesign, social media marketing and some PR all got underway. A newsletter was suggested as a first piece of marketing collateral to be created as the directors had made a start on this but had yet to see it realised. The newsletter was designed to be sent to current customers to keep them informed of business news, top 10 hints and tips, industry news etc. This newsletter was to be designed as a hard copy and soft copy piece of collateral to be sent and emailed out to all shareholders and current clients to start communication channels with them on a regular basis. The email marketing campaign was first sent as bulk to the pre-uploaded contact list. At first there was no personalisation of emails done, the emails were very generic and the language was not contextually correct per sector/tribe that was being targeted. The open rates for these first emails were low, with a high unsubscribe rate. The first email sent was all about 'hints and tips' for ecommerce.

At the same time that this task was being carried out, social media channels were created/updated with new content and a social media marketing plan was put into place. At first the board were unsure as to the relevance of social media marketing in business to business. On the back of this I wrote a practitioner whitepaper which was to highlight the way in which social media is currently used in a business to business context. This whitepaper was then presented to the board and the findings were compelling (Appendix 2), so a strategy was put into place to become a 'river of knowledge' about ecommerce.

I then created the concept of a 'river of knowledge' as a phrase to explain the social media strategy, the need for social media in business to business is that

the organisation needs to create a stream of information about the product or service they are selling, but also about the whole industry. If a business is just putting up 'special offers' or 'promotions' on a daily basis then the receivers of this message will be quickly turned off, however, if the messages range between company news and information, industry news, product news and any related information then the business will be seen to be experts in their field as they are not afraid to talk about competitors or general industry news.

A company newsletter was also being created at the same time to promote the 10- year anniversary of the case study company as well as other news such as product enhancements, industry news, etc. This was due to be sent out to current clients and investors as a means of customer retention. However, it was never sent out as it kept being put off by the directors. In line with this newsletter a press release was written by the directors to celebrate their 10 year anniversary as well as hinting at the next announcement of a new Non-Executive Director (NED).

Following on from the start of this marketing plan, the website was reviewed to suggest improvements such as a reorganisation of pages, new content and new design. The website had not been looked at for a number of years, and the website was the main contact point for any potential clients as there was no other form of marketing being carried out. This means that for a company that was a specialist in ecommerce their website should be excellent, however that was not the case, there was a lot of information that had been aggregated over time and none of it had been analysed or contextualised.

Concurrently I requested that questionnaires be sent out to current clients to research what their current buying habits were and also to find out what they thought of their relationship with the case study company. A buyer behaviour questionnaire was also suggested for the prospective client list to research a larger number of respondents for a more comprehensive quantitative analysis. The purpose of conducting this research was to seek market information from customers about the benefits of ecommerce and the reasons for implementing and using it. This information could provide the case study company with

information about what people want from an ecommerce solution and this in turn will feed information into the marketing department to ensure that the message that the case study company is sending to prospects is relevant and will be noticed. However, at the time the research was put on hold as it was not deemed useful by the directors.

In October 2011 I suggested that a corporate video be created for the case study company as content such as this had not been trialled previously within the company and also video marketing is a relatively innovative marketing technique. This was the first project that was given to me with total control, which showed the first sign of the directors having confidence in marketing. It was also at this time that I attended two conferences (Ecommerce Expo and B2B IT Marketing) to discover what the ecommerce industry was really about, who the competition was, what marketing they currently undertook, and at the same time attend seminars about ecommerce news, new features, case studies, etc. These conferences helped me to gain greater insight into the industry. This insight was used to re-inform the marketing plan so that it could be readjusted to ensure that it was contextually relevant.

At this time a new Non-Executive Director was also appointed to the board, therefore a press release was created as a follow-on piece from the 10-year anniversary press release. As the case study company is a listed company, it was important that all the shareholders and stakeholders were made aware of any company news as soon as possible to help with the share price as well as keeping the case study company at the forefront of everyone's mind. The case study company signed its first licensing partnership in October 2011 with a company who are a supplier of one of the largest ERP solutions in the UK. This partnership was a first for the case study company. A small campaign was therefore created to promote it. A press release was written, a short email was sent to the contact list and the news was promoted via social media channels; this helped the share price increase from 1.75pence to 2.10pence in the space of 30 days.

By November 2011 the corporate video was completed and used for the launch of the new partnership; it was also promoted using social media and email marketing to build up awareness of the video and the case study company in general. The video was also added to the homepage of the corporate website to ensure best visibility and as a way of informing visitors who the case study company is without them having to read a lengthy webpage. During this time I made numerous observations with regard to the case study company's customer service offering. It was noted that the customer service was not at the level that it should be and that the customers were not getting the service that they require and also the 'support ticket' system was not functioning, as it should be.

A newly-appointed Customer Relationship Manager and I were tasked with looking at ways to improve the service given. It was believed that the lack of customer service was impacting on the customer's opinion of the case study company and their product offering. This would be later backed-up by the research carried out with the case study company's clients (section 4.3). The correspondence between all parties involved can be seen in Appendix 3. It can be seen that the directors agreed with the proposition that the customer service levels were not at an appropriate level; however they did not agree with all the suggestions made and seemed to be looking for quick and easy solutions to a problem that was bigger than they realised (this was highlighted again when the customer research was carried out).

I suggested to the directors that they read an article by Sarasvathy (2001) called *"Causation and effectuation: toward a theoretical shift from economic inevitability to entrepreneurial contingency"*. This paper looked at how it is possible to use the tools at the entrepreneurs' disposal and to create something from this, be it a new market, new product or simply just a new way of doing things. This paper was recommended to the directors so that they could see that more entrepreneurial marketing is done with shorter timescales, and very much on an ad-hoc basis, suggesting that the strategic agility of the firm needs to be more fluid and proactive, rather than reactive.

From this point on a number of marketing initiatives were carried out that were not part of the original marketing strategy, showing the entrepreneurial mind-set of the directors of the business, however, even though this showed good progress of trying to change the way in which the directors think about marketing, it proved to be a slow process. The change in the culture and the mind-set of the business became an important factor for me as without this change any marketing that was carried out throughout my time within the case study company could be seen to be fruitless. An example of this would be when the managing director decided that he wanted to create a matrix highlighting what information each person in the buying process would want to see to help inform their purchasing decisions. This type of matrix would not have been thought of before a marketing professional was embedded within the business, but it started to show the change in the mind-set of the directors.

The matrix (table 4.1) was created by me to show the different tribes within a business, what information they would want to receive and what level of marketing should they be targeted with.

Stage	Need Recognition & Problem Awareness	Information Search	Evaluation of Alternatives	Purchase
Job Title	Sales Manager / Managing Director	Marketing Assistant / Ecommerce Assistant / Researcher	Marketing Manager / Sales Manager / Project (ecommerce) Manager	Finance Director / Marketing Director / IT Director / Sales Director
Message	What are the common ecommerce problems? Can we solve them?	Features & Benefits - high-level, plain English, customer features	Integration with ERP, timelines, previous experience (case studies), modular, reporting	Cost savings, international, timelines, aftercare

Table 4.1: Tribes and messages within a business.

This matrix was to be used for future marketing campaigns so that they were much more contextually correct.

At the start of December 2011 the interim results were due to be published. The results were very positive and it was agreed by the board that this news should be put into a press release and promoted across the various channels; however, one of the directors was not happy about releasing the press release even though no figures would be published. I wrote a press release as requested, however it was never released as the directors decided that it would be best to just release a statement from the Chairman to the shareholders.

At this point the newsletter for the current customers and shareholders had still not been completed and I believed that this had been postponed as the directors did not want to have further contact with current customers unless it was through the support service as a disdain for customer contact had been made obvious from previous observations. This led me to request access to the company's current clients to do some research with them to discover what their thoughts were about the case study company and their relationship with the company. This was received well by the directors as they responded that they would like to undertake this, however, the response was vague and no timings were agreed. This further informed my own belief that the directors had nervousness about additional contact with the current customers. At this point the managing director had a large portion of control of the marketing activities that were underway with regard to the content being written, the design and who the target market would be.

However, responsibility was slowly passed over to me, showing a willingness to give up control, which shows progress in a shift in the way the managing director and other directors started to think. It was expected that this would take some time as having a marketing professional within the business for the first time since the business had started was going to be a challenge as the directors had, to this point, done all the marketing themselves. Also, the use of 'trial' emails was also embraced, meaning that I was able to try different language, content and designs to analyse what worked best.

Another example of trialling something more innovative was the redesign of the business cards, the original case study company business cards had been the

same design for some time. I wanted to change the design so that it was more up-to-date, but also to add in a QR code for anyone who wanted to scan it and go directly to the website. Being a high technology based small business it seemed only logical to embrace innovative marketing techniques where possible to showcase that the case study company are at the forefront of technology and the latest trends. As it was coming up to Christmas a campaign was created to be sent via email to the company's current clients to boost relationships during a quiet period, but also to trial open and click-through rates to see if further communication with current clients would be beneficial. The Christmas campaign was also sent out to the prospect database as a relationship email rather than a sales email, again to trial if information emails were better received. This was again tracked using open and click-through rates.

In the New Year a meeting was held with the directors to prioritise the main marketing goals for the upcoming year-end quarter. The three main goals were to get the website updated and up and running, to work more closely with email marketing and also to look more into the licensing side of the business and what contacts would be made. It was also suggested by myself that more marketing collateral be created to help with general sales meetings and information requests from the website. Again, I requested access to the current clients of the business to carry out some research. The managing director made a suggestion that small questionnaires could be attached to the extranet to be answered after each support ticket that is raised, however, this would mean that there is no benchmark to score the responses against, and also that the responses would not be anonymous meaning that there could be a bias. I felt that doing a qualitative study would be much more valuable.

The first phase of the website refresh was launched. This first phase looked at the content, SEO and page layout. The look of the site remained the same, however the pages were re-ordered, some content re-written and Google Analytics was added to the site on all pages so that all pages could be tracked for analysis purposes. During this transition phase there were a number of conflicts between the directors as to what should and should not be on the

website, there seemed to be no coherence as to what message was to be portrayed using the website, and my own professional opinion was not accepted.

This shows that after five months the directors still were not completely willing to let go of their control and allow an outside professional to voice their opinion or trial a new idea. Another collaborative PR piece was also underway with another partner. This partnership was based around the ecommerce platform for a specific sector rather than a licensing partnership, as per the business objective. This partnership had been on-going for just over six months, but the news about this was only just being released as the platform development was now complete and the integration between the two software systems had been tested and approved.

The suggestion of a strategic audit was put forward by myself to the directors as it was thought that it was appropriate to evaluate previous and current marketing initiatives and market segments as well as the business strategy and objectives to ensure that the marketing activities and messages were the same as the business strategy. The directors wanted to know what the benefit was of having a strategic audit done, which was slightly worrying, as surely directors should know what the benefits are and the reasons for doing an audit. However, I explained to the directors that without knowing what has and has not worked previously and also if the customer segments are unknown, how will we know how to target them, and what style of message they would be most receptive to. The directors were not too keen on this being completed by me, however, after a few weeks, it appeared that the directors and the new NED had decided to write a business strategy, which was the first time I had seen something like this being done in the business. The new NED seemed to be steering the directors in a more strategic direction.

It was at this time that client research was again mentioned by myself and the directors were much more receptive this time and this is because it had been put into the new business strategy. The directors requested that this research be put on hold until after the financial year-end so as not to 'rock the boat' with

any clients who could be unhappy with the service they were currently receiving. This was a breakthrough for me as it meant that I could finally find out what the current clients really thought of the case study company and what could be done to improve the product or service they received. It was also very important as at least 45% of the company's turnover came from its current clients, therefore the better the relationships with these clients, the more loyal they were likely to be and also the more likely it would be for referrals to take place.

Up until this point (February 2012) there had not been a customer relationship management (CRM) system in place to keep a record of client and prospect contact, email marketing analytics or project progress. The only records that were kept were development requests, orders or emails. This became a priority for me as without these types of records being held there was no way to track the success of marketing campaigns or sales meetings etc., and to have this type of analysis is essential for any business so that they can see what is and is not working. A number of different CRM solutions were looked into such as SalesForce, Sage ACT!, SageCRM, Microsoft Dynamix and Really Simple Solutions. Each of these CRM systems were assessed against simple criteria: ease of use; price; database size allowed; cloud or network-based and functionality.

At the same time that this evaluation was being carried out the business development director requested that a large database of contacts be purchased, as the data already in the email marketing system was out of date. This involved me working on the current database to ensure that all duplications, opt-outs and old email addresses were removed before speaking to a number of data suppliers and requesting costs and quantities of databases for all distribution, manufacturing and wholesaling companies in the UK with an annual turnover of £500K+. The disadvantages of a bought list were highlighted to the directors, however the previous list had also been bought, so there was no organic database that could be used for marketing purposes and to build one would take time, so a purchased list was decided on and I started to create an organic database alongside this. The purchased data had a very

simple set of requirements that it had to meet – £500K+ turnover within Manufacturing, Wholesaling and Distribution.

With the introduction of a new email marketing database (60,000 contact email addresses), it was time to re-evaluate the current email marketing system to see if there was a more suitable solution that would integrate with the new CRM software that had been chosen (Sage ACT!); however, there was only one email marketing system that would integrate fully with ACT! and this was SwiftPage. I recommended that the email marketing software to be used would need to integrate with the CRM system so that better analysis of the emails sent could be carried out to see what did and did not work in terms of open rates, click-throughs, and lead nurturing could be started so that the leads generated were ready for further outbound communication such as a sales call. The new email marketing software meant that sector-specific emails could also be created with the ability to change the images and language. I looked into the case study company's current client list to see what sectors they currently operated in to be able to split the database down into relevant sectors in which they had experience. However, at this time I was not aware what type of language would be relevant for what sector, which meant that any type of contextual marketing could not be done. Due to this I then suggested that it would be beneficial to attend a number of different industry exhibitions to research what the understanding is of business to business ecommerce in each sector. Due to the timings of the chosen exhibitions (PPE Show and Stationary show), a number of emails were sent out that were not contextually correct; however the imagery chosen was suggestive of each sector. The open rates on these emails were between 6-7%. As the managing director was still taking control of all of the content that was being written I tasked him with creating content for the next email campaign to be sent out before the exhibitions.

By this time (March 2012) regular meetings were being held between the two owner-managers – Managing Director and Business Development Director – and me. By now the plan had been changed a number of times so that regular task lists were created due to the regular change in business strategy. The on-going work that was being carried out by myself was as follows: design work

(case study and brochure), Google AdWords campaign monitoring, download page created for data capture on website, website SEO, competitor analysis, strategic audit, case study creation. All of these tasks were very direct sales orientated and the licensing strategy had been put on hold as contracts were being signed by a number of new licensing partners. These partnerships had come around in part thanks to the personal network of the new NED who was able to exploit his previous relationships; this helped me to highlight the importance of networks and relationships to the directors. It was at this point that the interim website had a review and there was a lot of discussion about the navigation and the content.

Unfortunately, when the interim website was first completed I was not given the opportunity to update the content and was also not given any technical help with the programming of the site, so all of the points that were being brought up by the directors were issues that could have been solved in the first instance if they had given me more free rein.

At the start of April 2012 I took the initiative to split the current email database into industry sectors. I attended two industry-specific events as I believed that the language being used in marketing materials was not contextual enough, it was very generic, but having split the current email database down into industry sectors it was now time to ensure that the language used for each sector was correct.

The first event attended was The Workwear Show (Personal Protective Equipment Industry (PPE)). This external research was conducted to look into what different sectors perceived ecommerce to be, and also to discover what impact they thought ecommerce would have on their sector. The aim of the market intelligence research was to find out if businesses within this industry use ecommerce, who they use and why they do or do not use ecommerce. Below is a table of the questions asked and the responses:

Business	Do you use online selling for your business to business sales?	Who provides it?	Why?
A	Yes	In-House	Convenience and increased buyer relationships
B	Yes	In-House & Agency	Distributors demand
C	Yes	In-House	End-user demand, mainly business to consumer, only a couple of business to business accounts use it
D	No		Distributors prefer having a sales force and face2face sales
E	No		Retailers sell directly to end users, we do not want to sell to end users
F	No		We only use catalogues and the Salesforce
G	Yes	In-House	We use a Salesforce and online, online helps with customer self-service for customised products - such as Qantas Cabin Crew Uniform
H	No		Only use Salesforce and telephone sales. Would like to use online selling as long as the end users ca not see the site.
I	No		We have a website but it just shows our catalogue online. Do not want prices shown for all customers to see
J	No		Website and Salesforce only. We do not trust the security of online selling. Our buyers prefer face2face selling
K	Yes	3rd Party	It's much easier to sell online with our products. 60% of our sales are online
L	Yes	In-House & Agency	It is a new site but it makes it much easier for us to sell internationally. We still use a Salesforce in the UK

Table 4.2: Responses from marketing intelligence gathering at Work wear Show.

The first hurdle that had to be overcome when speaking to the manufacturers and wholesalers at this exhibition was the language that I was using. The first few respondents did not understand the term 'ecommerce', the language had to

be changed to 'online shopping' in order for them to understand what I was talking about. Ecommerce is still in its infancy in the PPE sector, particularly with manufacturers who could sell online to their distributors, however there was a concern that the end users would be able to see the distributors' cost prices, etc. This shows us that the language used and the content delivered needs to be very specific to each sector, and the only way to gather the information about the sector is to research the language used.

The second exhibition attended was The Stationary Show (Office Supplies Industry Sector). For the case study company this was the sector with the most clients in, therefore this sector should understand language such as 'ecommerce', as opposed to the previous industry exhibition who did not. This showed me that contextual marketing is needed to be relevant and understood by each individual target market.

Business	Do you use ecommerce for your business to business sales?	Who provides it?	Why
A	No		Not needed
B	Yes	Agency	Salesforce and ecommerce for retailers, ecommerce for consumers also
C	Yes	In-House	Retailers use it for ease and also international retailers use it. We still have a salesforce in the UK as the retailers prefer it.
D	No		Clients would not want to purchase online. We only use the website as a 'contact us' form.
E	Yes	In-House & Agency	All repeat business is done online; first sales or new products are done via the salesforce on the road.
F	Yes	Agency	Repeat orders are done online in the UK and internationally. Most sales are done online internationally. The UK still likes face to face sales as well.

G	Yes	In-House & Agency	Our customers like to use online and the sales force, they like the touchy-feely side of the sales force but love the convenience of buying via our ecommerce site.
H	No		We have an ecommerce site being created but it is not up and running yet. It will make our sales forces life easier having the ecommerce site as well as catalogues.
I	No		We only use Amazon for business to consumer sales, our distributors prefer face2face
J	Yes	EDI	Our resellers use EDI which is a kind of ecommerce system to order all of their products from us.
K	No		We are looking at creating an ecommerce site now to help with the ease of sales and also to help with general business functions such as invoices and payments.
L	Yes	In-House & Agency	Our ecommerce site is open to everyone - business to business and business to consumer, but depending on how they log on will depend on what prices they see. The public site shows the business to consumer prices for everything. We have a small sales force still, but these are more for account management rather than sales. It's so much easier online.
M	No		Our shops find it difficult to use the internet, they are all small gift shops run by older people. We have a one person sales force that constantly travels round and visits. We're hoping this will change soon.
N	Yes	3rd Party	Business to consumer is done online, however not all business to business is done online yet. Our sales manager thinks that it is it harder to forge relationships online only. I think more sales will be done online soon.
O	Yes	Agency	We have a sales force and ecommerce. Ecommerce is used for repeat sales more than anything.

P	No	EDI	We use EDI for our clients as our route to market is more complex. We have a national and international sales force.
Q	Yes	In-House & Agency	Ecommerce is much easier for us to use as we have a large catalogue of items and it's easier to show them all online.

Table 4.3: Responses from marketing intelligence gathering at The Stationery Show.

When speaking to exhibitors in the 'Office Supplies' sector, where ecommerce is very prevalent, they understood a lot about ecommerce, its benefits and its impact on the industry. For me to have attended just these two exhibitions I was able to show the directors that the language used in any marketing materials must be contextual to be correctly understood and assimilated by the targets industry sector. It showed that previous marketing materials such as emails and the website may not have been effective for all industries; however, with the change in language for the new sectors selected by the research, it would now be possible to make all marketing material contextual. The first stage of this was to create multiple Twitter accounts for the six chosen industries so that the information given through this channel would be relevant. Information such as industry news, ecommerce news, product news etc. was posted on each feed using the language that had been identified by myself. The next stage of this change was to create specific Google AdWords campaigns, which would eventually lead to industry-specific landing pages.

Now that a number of different marketing tactics were being undertaken simultaneously, I suggested to the directors that it would be a good time to start tracking all of the marketing so that more rigorous and regular analysis could be carried out to ensure that all of the channels were working effectively, and if not, they could be changed and tracked again. An example of the tracked data can be seen in Appendix 4 and comprised of email open rates, Google AdWords, website visitors and collateral downloads. At this point I had trialled a number of innovative marketing methods within the business and was getting some good results, including a number of sales leads. These leads had been passed

onto the 'sales team' which consisted of the Managing Director and the Business Development Director.

The sales team decided to follow up the leads generated with a piece of direct mail in the form of a letter and company brochure. The suggestion from me was that the sales team should call the leads to impart some human interaction into the mix, to make the process become more human rather than being done at an impersonal level. This is the point when I realised that the directors preferred to shy away from any human interaction unless it was an unavoidable situation. It appeared that they much preferred to have a computer screen between them and the customer or prospective customer. This was further backed up by the customer research that was completed (section 4.3) and after numerous meetings and suggestions by me about customer research the directors agreed that I was able to carry out this research from June to September 2012.

4.3 **Phase 2 – June 2012 to September 2012 – Customer Research**

The purpose of conducting research with existing customers was to draw out market information from customers about the benefits of ecommerce and the reasons for implementing and using it. This information will provide the case study company with information about what people want from an ecommerce solution and this in turn will feed information into the marketing department to ensure that the message that the case study company are sending to our prospects is relevant and will be noticed.

From the case study company customers, I am seeking to gain an insight into the reasons that they chose the case study company and the reasons for staying with it, as well as any potential developments that our customers and ultimately our prospects would find useful.

Customer satisfaction is needed to measure if customers are happy with the products and services provided by a business. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal and to make repeat orders and to use a wide range of

services offered by a business. These satisfied customers will also become advocates for the business helping 'promote' and also be more involved in 'co-creation.

There are many factors which lead to high levels of customer satisfaction including:

- Products and services which are customer focused and provide high levels of value for money.
- Customer service giving personal attention to the needs of individual customers.
- After sales service - following up the original purchase with after-sales support such as maintenance and updating (for example, in the updating of an ecommerce solution with relevant market-related features).

<u>Sample of customers</u>

A list of 47 current customers was provided. Each customer was contacted via email asking if they would be willing to participate in a short meeting to discover their views about the case study company, reasons for using the case study company and also any improvements that they thought could be implemented.

A breakdown of the customers who responded is as follows:

Responded		
Y	29	62%
N	18	38%

Of those who responded 5 (17%) customers declined to participate in the survey.

24 customers agreed to participate in the survey. Due to location and time limitations 16 (67%) customer in total were surveyed over a period of 6 weeks.

Method of research

Each customer took part in a face to face interview, which took on average 38 minutes to complete. Each interview was recorded and a consent form was completed to ensure anonymity of answers to enable each customer the ability to talk freely.

Once each interview was completed the recordings were transcribed onto the question sheets (Appendix 5). All of the transcriptions were then analysed and comments from the transcripts were sorted into categories or themes to enable further analysis of the results in a consistent manner. The categories and comments can be seen in full in Appendix 6, however, the following section will provide a comprehensive analysis of all of the responses and will then conclude with recommendations that the case study company should consider.

Analysis of customer research

The transcripts have all been analysed and the information has been organised into themes. These are as follows:

- Account Management
- Benefit
- Buying Process
- Ecommerce
- Support
- Training
- Business Development
    - Competitors Features
    - Improvements
    - Product Rating
    - Service Rating

- Market Intelligence
- Competitive Advantage
- Cost Savings
- Customers Opinions
- Features
- Industry
- Reasons for Ecommerce
- Reasons for the case study company

The themes could not be distilled anymore as it would have meant that a true reflection of the customers' view would not be given. Each theme will be analysed in full below.   The themes were created as part of the analysis of all

of the interviews together. Each theme was drawn from the context of the transcripts, and added too as the transcripts were further analysed (Appendix 6).

Findings – Service

Account Management

There were no specific questions relating to account management in the questionnaire, however this was a recurring theme that was mentioned by nearly all clients when asked what their views of our support and service were. The biggest issue was having the ability to have someone dedicated to the customer who knows the customer's account and who also knows the industry. The type of account management mentioned varied from:

> *"An internal liaison where you can discuss something and then either someone can correct you over the phone, or put a ticket on if you need to."*

To

> *"Would've expected a slightly more thorough approach in terms of 'ok we've done the deal, this is where we've got to now' and as other things become available because of the changing world what would be relevant to us, would this work for us? Where is our site, even if it's every 6 months, it would have been nice to have a chat with someone. Our business has changed since we've had the site we've changed a lot, and I do not feel that the case study company has the real sense of that."*

This shows that the customers all want some form of personal interaction throughout their time spent with the case study company. This interaction needs to be much more pro-active rather than reactive as it is perceived to be at the moment. Having this type of account management would not be possible with the current head count, however, with some investment this perception of the

business could be turned around. A customer even suggested that they would be willing to pay more for account management:

"I would have been happy to have paid double to do things differently"

Another customer pointed out very clearly:

"Business is all about relationships"

And at the moment the relationships with our customers appears to be one-sided and slightly frustrated:

"You come in, we've bought into the concept, but do not think the case study company have bought into ours, it needs to be a two-way street. The best partnerships are two-way."

"I think the personal side of things have gone and to me, whether that's me being old school, but people buy from people, and to have someone completely anonymous is not right."

Customers also requested regular communication as part of this proactive account management process to be kept informed of what developments we are undertaking and any business news etc.

Benefit

Only a few customers were able to answer this question. Of those that did it was a mixed response:

- Long term – 50%
- Medium term – 33%
- Short term – 17%

Some of the comments were:

"It's got to be long term because everything is in turmoil now because everyone is discounting heavily, and it's got out of proportion"

> *"We did not invest for a quick fix, we invested as we're a 30 year old company, we needed to move with the times, and to do that we needed professional help and support"*

This shows that even though ecommerce is fast becoming an 'industry standard' across all sectors, implementing ecommerce is not a 'quick fix'. It is something that takes consideration and time, and this is something that needs to be made note of in marketing materials.

Buying Process

Only a small portion of customers questioned felt that they would change their buying process. Of the customers who have suggested that they would do things differently, or wish they had done things differently the majority of these suggested that they would have liked to have spent more time speaking to their customers and discovering what the customers journey was already like, before completely changing it. The other change that would have been made was more research into what their requirements were and what the best fit actually was before jumping feet first into a project.

> *"We ignored the negatives – we were biased with wanting to go with your guys in the first place."*

> *"I'd ask more questions about specific things that are important to my site"*

Ecommerce

There were a number of questions to ascertain how long our customers have been using ecommerce; if the case study company was the first ecommerce solution or an upgraded solution and also how much of our customers' sales go through the platform.

- On average our customers have been using ecommerce for seven years.
- 33% of customers are using the case study company as their first solution.
- Previous solutions used include Actinic, Intellisoft, Prolink Web and Oscanet.

- On average our customers have 43% of their sales going through their ecommerce solution.

Support

As with the account management section there were not specific questions regarding 'support'; however, all customers had something to say about our support services.

Not all the responses were negative. Most customers were happy with the way in which the extranet service works; however, they were unhappy with the responses and time to respond. In total, there are 51 comments about support throughout all of the transcripts. This is an extremely high response rate, showing that this is an issue that is at the forefront of all of the case study companys' customers' minds, and something that should be addressed immediately.

Positive:

> *"I like using the extranet as we have a record of what is happening."*

> *"I think it's a good idea, having it all central and you can refer back to things."*

> *"It's good for reporting bugs, some helpdesk requests, so the general things."*

> *"The process works, having an intranet works because I can record the details and there is traceability, if you could just manage expectations that would be great."*

Negative:

> *"I do not mind raising support tickets, but I get annoyed the response is slow, I have to chase."*

> *"I feel a bit weird that it's going to millions of people, a pool of IT geeks, and do not know who I'm talking to all the time, it's all anonymous."*

> *"I found the tickets very hard to start with, I like to make a phone call and ask how to deal with something. The problem with the tickets I might put*

something into writing and maybe put it in the wrong way, the reply is wrong, I reply back – can be very drawn out."

"They are dismissive, we're asking specific questions of IT specialists and we often get blinded by science. A little bit too technical"

"I've found them frustrating in the length of time they take."

"I think there needs to be a customer service point, where you can elevate something, or sometimes it is not a ticket – should keep the tickets, but what happens here is someone sends an email and someone converts it to a ticket."

Training

This is another topic that was not asked about specifically, but after the first few interviews it was obvious that this was a subject that needed to be asked in all further interviews to probe into further improvements that could be implemented. Each customer was asked if they received training and what their views were. Overall customers felt that they did not receive sufficient training, if any at all. Their view was that if they had received better training then the amount of support needed would have decreased.

"Most of the questions I send would have gone if I'd have had training"

"Training needs to be done on day one. I think it would reduce tickets before going live by 75%."

It was suggested by a number of customers that no training was offered.

"None, I think someone who is a start-up it's been reasonably frustrating because I was not given any guidelines/information/manuals etc."

"I think Andrew came and did an hour and a bit of training with xxxx who looks after some of our IT stuff and that was it."

"I do not feel that training was something that was offered."

The style of training suggested by customers varied, however, this does show that there are variants that could be offered to customers depending on budgets.

"If you had a booklet of how to do everything and just showed which section is for each customer, from a sales point of view, it would be

great. The specification document is so big; this would break it down better."

"A workshop with everyone with a laptop, with workbooks, dummy data would be great."

"Should be an online resource that anyone can get to at any point."

"Need an online guide/user manual for each section and each bit of functionality."

Customers also seemed willing to pay extra for training:

"If they'd said to me this is what you need to do, and it's an extra £500 or something I would have gone for it."

The amount of responses from customers about the training shows that this is an area that needs great focus and that it would add value in terms of profit and relationships with our customers.

Findings - Business Development Opportunities

Competitors Features

Customers were asked if there were any features that their competitors sites had that they thought gave them a better competitive advantage, this was to aid the research and development team to create additional features to remain competitive. The positive outcome of this was that very few customers had any response to this question. The only things that were pointed out were:

- Video uploads
- Multiple campaigns with products in multiple locations
- Whatever KTS & The Consortium do needs to be done better

Improvements

This question was very open asking how the case study company could improve, in terms of service and product. Along with the categories of support and training these were the most in-depth responses that were received. The main themes around this question were:

- Communication & Account Management

  "Communicate. It does seem to be a generally IT thing. When I get the rep in from our IT Company I say the same things…communicate."

  "Our business has evolved and changed, and for you to understand those changes would have been helpful for you, and every 3 - 6months to have a visit and find out what is going on, you might be able to put ideas to us to help our site."

  "Want a quarterly review with someone knocking on our door and telling us what our site is doing and how we can improve it, and what developments are happening in-house that would be relevant to us and our industry."

- Product Development & Roadmaps

  "Both of us need to be thinking more end-to-end, there is not a line between platforms."

  "I wish you told us your developments and dragged us along with you."

  "There has been very little in terms of product and website development."

  "One of the flaws in the site is that it's too flexible. I can ask you to do something and you'll do it whether it's the right thing or not."

- Managing Expectations

  "We gave you a requirements list and asked if you could do stuff, and you said yes to everything – but when it came down to it, it was yes we can but it's a different process, so we've had to change our own internal processes to get things to fit."

  "There's a slight tendency to overcommit"

  "The MD thought it was oversold compared to what you provided for us. Our expectations were not met."

- Product Features

> *"There is a great chunk of the market to grab if you have a 'prolinkweb' platform, which does everything that prolinkweb does and looks better and does more as well."*

> *"Reporting, being able to pull out data from what customers bought from us, frequencies, not just top 50 ones."*

> *"The e-marketing admin bit is still not working for us correctly, we were sort of under the understanding that we'd be able to get rich customer data, drill it down, get all of the people who ordered 'x' and be able to market to them."*

> *"One click orders, automatic product ordering."*

All of these improvements suggested will help with the development of the product as well as development of the services we provide pre- and post-sale. This again highlights the fact that the case study company needs to be proactive rather than reactive.

Findings – Ratings

Product Ratings

Customers were asked to rate the case study company's ecommerce solution. Customers gave a rating out of 10. Each customers rating was based on their own ecommerce solution as each customer has a bespoke system, so there are differences in each product, but a median average has been taken to ensure a fair figure.

The product rated 7/10 on average.

Customers' comments include:

> *"I think the product is brilliant, it's potentially great."*

> *"The site is robust and it works, the hosting works, the platform itself is excellent."*

> *"The drive is always to have out of the box functionality, because the more you deviate the more difficult it is to get it back on track when you update it."*

This is an above-average score, however, it does show that there is still room for improvement, and this can come from the 'Product Development & Roadmap' and 'Product Features' findings discussed in the previous section.

Service Rating

As with the previous section, customers were asked to rate the aftercare service that have received since being a customer with the case study company. Customers gave a rating out of 10. Each customer based their rating on the aftercare service their businesses has received via the extranet, telephone and email.

The service rated 5/10 on average.

This is an average rating, which could be greatly improved upon if the findings from the 'Account Management', 'Support' and 'Training' sections are taken into account. Again, being able to improve these scores and eliminate some of the negative responses will only help to improve our customer relationships.

Findings - Market Intelligence

Competitive Advantage

75% of the customers were able to answer this question. The remaining 25% were unable to comment if their ecommerce site gave them a competitive advantage as their site was too new. Only 25% of the customers that were able to comment said that their site did not give them a competitive advantage, and this is because they said that their sites were still too new to be able to judge.

Some of the reasons for this competitive advantage are noted below:

"We have a larger market reach now than ever before."

"Some of our competitors just have a website, and we wanted to do something a little different."

> *"Everyone wants to use our site as an information port, rather than a website. So they can buy, get their risk assessment forms, data sheets, like an information hub."*

Cost Savings

This question was to help determine marketable USPs for the case study company. 25% of our customers said that their ecommerce solution had either provided a cost or time saving in their business by either removing head count or by being able to use staff resources more efficiently.

> *"We've taken headcount out in the office."*

> *"It's been time saving on our front and again, we're able to put their (web guys) resources doing other things, like marketing and growing the business and more of the relations side."*

Customers Opinions

Again this question was devised to tease out USPs from the customers' customers perspective, USP's are not always just about features, they also need to point towards what benefits everyone will get from implementing the case study company ecommerce solution. Over 60% of customers asked were able to answer this question. Of these answers, 70% were positive, with opinions such as:

> *"Switch & Save – they love it."*

> *"The new searches have had good feedback."*

> *"Most people have been positive, but they were using prolinkweb before so anything would have been better."*

Of the negative responses, the overarching issue was the 'search' feature on the sites.

Features

This question was the last that focussed on USPs of the case study company solution. Customers were asked if they had any specific features of their ecommerce solution that they thought stood out. Again, there was a 60%

response rate to this question, of which 70% responded positively. There was not a unanimous answer to what a favourite feature was.

The responses included:
- Fly to Basket
- Web Uploader
- SEO
- Back Office Administration

Findings - Reasons for Ecommerce

Customers were asked the reasons for using ecommerce and they were also asked how ecommerce affects their industry. This was going to be split into industry sectors; however the responses were all very similar, therefore they did not need to be split down. An assumption was made that different industries would see ecommerce from different perspectives, but this was not the case.

All customers said that having ecommerce was now an 'industry standard', however there were varying degrees about how complex the sites are and this is where the competitive advantage of the case study company comes in. Everyone stated that ecommerce was drawing businesses online to purchase more and more.

> *"It is a must-have for anyone in the industry now. It's crucial – it's been proven, we've won business off the back of our offering"*

40% of customers also said that it was driven by their own current and prospective customers. Moreover, customers also suggested that the time and cost savings were drivers to moving to ecommerce.

> *"I think increasingly they were aware that the business to business trading environment would go to electronic trading, online, because of its process efficiencies."*

> *"It has to be more and more integrated into how you work and I do not know how businesses operate without it."*

"Reduced cost, we use a vast amount of suppliers and to create a bespoke catalogue is expensive, but we can put everything online, it's all much more searchable, better than to have a member of staff to take a call."

However, 56% of our customers still employ a sales force ranging from a couple of desk based account managers up to 17 field-based Key Account Managers. This shows that no matter how much ecommerce is becoming a 'standard' for all businesses, human interaction is still very important:

"We'll never get rid of a sales force. People buy from people."

Findings - Reasons for using the case study company

Customers were asked why they chose the case study company over other ecommerce solutions providers. This will help us to communicate the benefits of the case study company to prospective clients.

63% of our customers chose us because of the expertise that we portrayed on the website and in sales meetings:

"When I discussed what they can do, thought it was great and brilliant. Every question I asked they had an answer for, and said yes."

"Profile of your customers that we could get from your website gave us an indication of the types of customer you were dealing with – the case studies etc."

"It looked like it was exactly what we wanted to do already done, why go to the trouble of building a ground up one."

23% of our customers chose us because of our specific industry experience:

"The case study company and Evolution were the two choices apart from OPnet, which were specific to stationary."

"We were looking for someone with experience in our industry but not exclusive to our industry."

14% of our customers chose us due to recommendations from others:

"An independent designer and he worked with Monkey Office."

"Recommendation from Open Range."

This shows that the expertise portrayed by the case study company is of paramount importance as well as showing industry-specific examples of businesses previously worked with. These responses suggest that we need to focus on the website and case studies with more rigour.

4.4 Phase 3 – October 2012 to March 2013

Whilst the customer research was being undertaken there were still various innovative marketing activities taking place and these carried on after the customer research focus had finished. For example, case studies were being created with new clients; continuous email marketing was being carried out, but now this was much more contextual and relevant; social media marketing was being done (Twitter, Facebook and LinkedIn); and website maintenance, content updating and tracking was underway. With regard to the lead generation, it was discussed that the leads generated needed to be nurtured in a different way to ensure that they were communicated to with more relevant information and also that a relationship with these leads was created over time.

However, due to budget constraints, this was to be done manually rather than automatically, using lead generation software. The strategy created for this meant that all email marketing responses and website tracking was given a score so that prospective customers who were engaging with the case study company regularly through the digital channels could be nurtured on a more personal level. The need for more personal relationship-building was highlighted in the research with the clients (Section 4.3), and I believed that if these relationships were nurtured at the earliest of contacts with prospective clients, then the on-going relationship would be much stronger and also much more beneficial to both parties and the ability to have constant two-way

communication would enhance not only the sales potential but also the research and development collaboration potential.

By September 2012 the marketing tracking was well underway; however the directors did not see how marketing was benefiting the business. A meeting was held between me, the Managing Director and the Business Development Director. In this meeting both directors said that they felt they were not getting enough incoming sales enquiries resulting from the marketing that had been done to date. I highlighted that there had been 272 qualified leads created over the past six months. All of these leads had shown an interaction with the case study company through email marketing, social media and website activity; however these leads were not followed up in the correct manner, for example, no proactive personal contact was made from the sales team.

The follow-ups that were being conducted at this point were in the form of a piece of direct mail that consisted of a semi-personalised letter and a copy of the company brochure. I then suggested that there should be a personal follow-up not just another piece of outbound marketing to try to get the prospective customers to call. I continued to highlight to need for proactiveness from the sales team to help follow through with the marketing activities that had been undertaken. It was agreed that the top 35 contacts that were the most active via marketing channels would be contacted directly by the sales team to see what the level of interest was.

After two weeks these follow ups had still not been completed, at this point the directors decided that they would like to take on board a telemarketing company to follow up the 450 qualified leads that had been generated by this point. The directors mentioned that the reason for using a telemarketing agency was to get the 'Human Interfacing' that I had been pointing out throughout my time based in the business. This showed that slowly the mind-set of the directors was changing to understand the importance of not only market intelligence and marketing innovation, but also the importance of some form of human interaction with potential customers to help the product successfully go to market.

The telemarketing campaign started in November, with a six-week timetable planned to finish in the third week of December. The telemarketing agency were given a full briefing of the message that was to be communicated and they were given a contact list of 379 prospective customers who had been active in either viewing the website, opening and clicking in emails or on social media. Within the first two weeks 10 telephone appointments had been made for prospective customers who had a real interest in an ecommerce system, this helped support my suggestions for the need of human interaction to facilitate the process of going to market. If the directors had done the follow-ups in the correct manner then perhaps a telemarketing company would not have been needed.

At the same time I continued to carry out email marketing to a more targeted contact list, which excluded everyone who was being contacted by the telemarketing team. The emails that were being sent on a weekly basis were all topics that would be covered by the telemarketing team. This new contact list would be used for a second set of data for the telemarketing agency. This would be provided three weeks into the telemarketing campaign. The contacts given to the telemarketing agency were scored the same as the first set of data. Each contact had to have activity on the website, emails and social media. The second set of data also contained 379 contacts. By the first week of December 22 telephone appointments had been made and there were also six requests for further information via email. The directors did conduct each of the telephone appointments however the results from each telephone appointment were disappointing. The directors seemed to dismiss the call before it even happened, meaning that the directors never properly qualified if the prospective customer could afford the ecommerce system and if it was suitable for their needs.

The price of the ecommerce system for customers when I started the project was approximately £12,000 and just over a year later the ecommerce system was priced at approximately £25,000. This rise in price had no rationale behind it that I could see, other than the business strategy of higher price means less

customers for the same profit, which could have been an appropriate strategy if the product was deemed to be worth the increased costs by the current customers, let alone new customers. Therefore the first two data lists that had been provided to the telemarketing agency were for businesses with a turnover of £1m-£300m.

The smaller businesses would probably not have the budget for the case study company's ecommerce system, but as I was not made aware of this until the telemarketing campaign had started, the data collated was not of the required turnover, employee size and industry segment. A third and final data list was compiled for the last two weeks of the telemarketing campaign. This list contained only contacts whose turnover was £11m+ in the hope that these larger companies would have larger budgets to meet the higher product costs. Overall there were 29 telephone appointments made and nine requests for further information via email. These results showed that with a little bit of human interaction sales meetings could be achieved. The results from each sales meeting have not been recorded in these data as the sales meetings were held after I had completed my time within the case study company; however the share prices and turnover seen in public company records show an increase. The telemarketing campaign was completed in January 2013, but no appointments or follow-ups were scheduled until March 2013.

Throughout December 2012 to February 2013 I was very much focussed on the renewing the website as this is the face of the business. The first review of the website was very simplistic and changed only a few sections of content. For this review I suggested a complete redesign of the site, along with download sections, more dynamic homepage and a much simpler layout. Again I was not given any time from the developers so had to work with the website and create offline versions of pages to be approved by the directors before setting anything live.

A content writer was brought on board at this time to see if an outside view could elicit different content for the website. A meeting was held with the content writer, the directors and the board in December. The board and

directors pointed out what pages on the website they wanted looking at and also the types of information what they wanted to see on there. It was then left to the content writer to produce a draft for the pages. The first drafts were received after the New Year, and sent to the directors. The responses from the directors were not very positive, they made comments such as 'I could have written that' and 'I do not think that is an improvement to what we already have'.

This showed me that it was not just my own expertise that was a call for concern for the directors; it showed the effect of 'founders' disease' (Section 2.6.1). After a number of contacts back and forth with the content writer the final content was decided by all parties, and the final content was not that dissimilar to the original content on the site; however, it was more succinct and targeted. This content was then used by me for the new website design and layout. It was decided to change the website from approximately 50 pages down to less than 20 pages. This was considered an appropriate number of pages of content so that prospective customers could see the information and would then feel the need to contact the company, rather than having all the information before calling the company.

It was then down to me to redesign the website. However I was given more free rein this time, which demonstrated an improvement in the director's trust and control over the marketing that had taken place so far. This release of control showed more of a cultural change within the directors than throughout the rest of the time I was based in the business. All other marketing activities were taking place alongside the website redesign to ensure that the lead generation and awareness activity was still happening. The new website was set live just before my placement within the case study company finished so there is limited data to show improvement in visit rates, time and bounce rates; however, the small amount of data that was available showed an improvement across all areas showing that a smaller, more targeted website produces better results. Using the IP tracking software it could be seen that more suitable businesses were visiting the site and spending longer on the pages.

The research phase finished in March 2013, which completed 18 months of embeddedness within the case study company. Throughout the 18 months the marketing plan that I had started with had been changed a number of times. In Table 4.4 the difference between the first and last marketing strategies can be seen. It shows a clear difference between pre- and post-researcher being based within the company.

The difference is most obvious in the way that the strategy has been formed and the marketing activities carried out. The pre-researcher activities were very traditional and administrative, whereas the post-researcher activities were much more entrepreneurial, innovative and focussed more on the relationships with the customers and prospective customers. There was more external and internal research carried out, more innovative marketing techniques applied and more communication between not within the business but also to the customers.

During the last few weeks within the case study company it was made clear that most marketing activities that had been undertaken and carried out by myself would not be continued by the case study company. This was very disheartening; however, it could be seen that the culture of the business had changed; in the way that the case study company spoke to its customers and in the way that the case study company utilised the website and other digital marketing techniques from the start of the project to the end.

Pre-Researcher	Researcher (1st Phase)	Researcher (Final Phase)
Leaflets	E-mail Marketing	E-mail Marketing
Website	Competitor Analysis	Market Intelligence
Twitter (rarely updated)	Case studies	Case studies
	Website content improvement	Website (Content and SEO)
	External Analysis of the company	Online Communities / Discussion boards / Continuous two-way Conversation
	Newsletter	Relationship Marketing
	Social Media	Social Media
	Marketing Promotional Video	Advertising
	Exhibitions	Exhibitions
	PR	PR
	Telephone number	Google AdWords
	E-mail responses	Collaboration
	Build a database of "close fit" back office software companies	Monthly Analytics
	New "hooks"	Content / Downloads
	Develop a new "licensing" website	Customer Research
	Understand the 'Theory of Effectuation'	
	SEO	
	Internal Focus Groups	
	Academic paper to be written based on subject to be decided.	
	Customer Satisfaction Surveys	
	Help define a strong "unique" brand message and hooks.	

Table 4.4: Pre- and Post-Researcher Activities

4.5 <u>Chapter Summary</u>

It can be seen that throughout the 18-month period that I was present there was a lot of changes within the business, not just in the way that it goes to market, but also in the way that the directors think about relationships with its customers and how to target prospective customers. The key insights from the data can be seen below:

4.5.1 <u>Phase 1</u>

- There has been no marketing professional working for the case study company since it in 2001 and by 2011 there was still no effective marketing strategy in place.

- There was a naivety on the part of the owner-managers as to what going to market really involves – they did not think marketing goes beyond a flyer or two.

- The company website had not been audited or refreshed for a number of years – it has simply had content added to it without it being reviewed. For a company specialising in software to be used online, the website should have been one of their first priorities as this is their shop window.

- Customer research was not deemed useful by the owner-managers – there was no human interaction with customers unless it was unavoidable. There had been no formal research carried out with the customer in the company's history.

- Customer service levels were less than to be desired. The owner-managers did agree with this; however, they did not agree with all the suggestions made and seemed to be looking for quick and easy solutions to a problem that was bigger than they realised.

- The researcher introduced the theory of effectuation to the owner-mangers to help to try and change the way in which the owner-managers think about marketing; it proved to be a slow process.

- After five months the owner-managers still were not completely willing to let go of their control and allow an outside professional to voice their opinion or trial a new idea, unless the owner-managers saw it as their idea first.

- The newly appointed non-executive director decided to write a business strategy, which was the first time the researcher had seen something like this being done in the business. This business strategy was used by the researcher to ensure that the marketing strategy was aligned.

- A couple of exhibitions were attended to discover if contextual language needed to be used and to what degree. From this small amount of research, multiple social media communities were set-up and the 'River of Knowledge' premise created.

- When the researcher commenced the project and marketing tactics were being put in place, no tracking was done of these tactics to measure success or monitor the performance of changes made. By the end of Phase 1, tracking of all marketing activities was taking place (Appendix 4).

- Email marketing campaigns were implemented, carried out on a regular basis to a large segmented database and amended as necessary to improve open rates and click-throughs.

4.5.1.1 Key insights from Phase 1.

Below are the key insights from the first phase of research carried out.

- No marketing professional working for the case study company since it was founded in 2001.
- Naivety of the owner-managers as to what going to market really involves.
- Website had not been looked at for a number of years.
- Customer research was not deemed useful by the owner-managers – no human interaction with customers unless unavoidable.
- Customer service levels are not at an appropriate level in line with the researchers previous experience.
- Effectuation - trying to change the way in which the owner-managers think about marketing, it proved to be a slow process.
- Lack of willingness to let go of control of processes (marketing and customer service)
- New NED had decided to write a business strategy
- Exhibitions attended to discover contextual language to be used – multiple social media communities created and 'River of Knowledge' premise created.
- Tracking of all marketing activities taking place
- Email marketing implemented

These key insights show how the case study company progressed from no marketing expertise in the business to the slow change in the way in which the business operated.

4.5.2 Phase 2

This research was undertaken by the researcher to help develop business strategy, improve customer relations and increase sales, as well as to help with product developments.

The overall feeling gained from customers was that the ecommerce solution overall was very good, giving competitive advantage, and there were not many suggestions for additional features. However, customers wanted to see a 'standard' platform with developments driven by the case study company rather than by the customer. This would involve more detailed research into specific industry sectors as well as competitors to discover what the sectors are looking for and to enable the case study company to be proactive in their research and development to ensure that the solution remains competitive.

After analysing all the responses from customers it can be seen that there are three major areas that needed developing, some of which were starting to be considered by the case study company.

These three areas were:

- Account Management
  - This needed to be managed much more. With a decline in new contracts being signed, the relationships with current customers are much more significant. The case study company needs to be able to support customers' needs and by doing this will improve relationships with customers, and this in turn this could lead to customers spending more and becoming lifelong customers. A suggestion made by the researcher was to recruit an account manager whose sole responsibility is to look after key accounts and increase sales.
- Support
  - The way in which extranet tickets and support calls were dealt with was an annoyance for most of the customers interviewed. Customers felt that although the extranet was a great way to keep track of issues that have been raised, the timescales and responses are unacceptable. This needed to be addressed with all Developers and Aftersales Support to ensure that a standardised timescale and responses are utilised and that customer

expectations are met. It was also paramount that if and when changes are made to customers' solutions, that these changes are fully tested against all parameters of the solution to ensure that everything still functions correctly – a procedure needed to be put into place.

- Training
  - A comprehensive training plan was requested to be devised that could be broken down into modules dependent upon what type of solution a customer has purchased, along with a 'user guide'. Training for a solution should be done at the beginning and interim stages of a project. The interim training would only be to cover any 'bespoke' developments of the solution. This would be an additional revenue stream as it could be made mandatory, as per most software suppliers today.

4.5.2.1 Key insights from Customer Research Phase

The overview of the key insights highlighted from the customer research can be seen below.

- Customer account management is non-existent
- Aftercare service is lacking depth and commitment
- Insufficient Training
- Irregular customer communication
- Persona of case study company is exceptional

4.5.3 Phase 3

- Multiple case studies were being created by the researcher to help educate prospective customers in the relevant areas as to the case study company's products and how they could help on a business level.

- The researcher was, at this point, carrying out continuous contextual marketing. This means that all email, social media marketing and website content marketing was continuously being updated and monitored to see success rates and also to see where improvement was needed.

- The need for more personal relationship building was highlighted in the research with the clients and this was still not being followed up by the owner-managers, showing unwillingness to speak to current customers.

- Leads still were not followed up in the correct manner, for example no proactive personal contact was made from the sales team. However, the case study company took on board a telemarketing company to follow up the 450 qualified leads that had been generated by this point. The owner-managers mentioned that the reason for using a telemarketing agency was to get the 'Human Interfacing' that the researcher had been pointing out throughout their time based in the business.

- A content writer was bought on board at this time to see if an outside view could elicit different content for the website, but the content created was not agreed on by the owner-managers or the board. This showed that it was not just the researcher's own expertise that was a call for concern for the owner-managers; it showed the effect of 'founders' disease' and the unwillingness to cede control of just one aspect of the business.

- However, small releases of control were now starting to happen. These were around the corporate video, customer research and second iteration of the website. This showed more of a cultural change within the directors than throughout the rest of the time that the researcher was based in the case study company.

- The pre-researcher activities were very traditional and administrative, whereas the post-researcher activities were much more entrepreneurial, innovative and focused more on the relationships with the customers and prospective customers.

- Towards the end of the researcher's placement, there was more external and internal research carried out, more innovative marketing techniques

and more communication between not just the business but also the customers.

4.5.3.1 Key Insights from Phase 3

This list of key insights in the final phase of research show the progression of the case study company from not having any marketing expertise to understanding the way in which marketing should work within the context of the high technology small business.

- Case study creation
- Continuous contextual marketing
- Leads still were not followed up
- Took on board a telemarketing company
- Content writer was bought on board
- Release of control started to happen
- Pre and post-researcher activities were very different
- There was more external and internal research carried out

In the next chapter the researcher will use the criteria for analysis that was created in section 3.5.1 to look at all of the data generated above and most importantly the key insights and the researcher will then place the relevant insights under the correct criteria to be able to analyse exactly what happened in the case study company and how this fits into the conceptual model that was created in Chapter 2. Chapter 6 will take into consideration the complete study and draw out implications for management, theory and further research.

4.6 Reflections

This section of the chapter is an honest and frank first-person reflection on the time spent in the case study company and some of the most pertinent points.

"*When I first started at the case study company I was surprised to see that although the company had been running for 10 years and they had never had a marketing professional, and had only once employed a marketing agency to*

help with some direct mail activity. I had a feeling that having a marketing professional and researcher in the business was going to be a culture shock for the Directors, and within the first month of being in the case study company my expectations were realised. The Directors started to make comments suggesting that they expected the telephones to be ringing consistently with prospective customers as soon as a marketing professional started. At this point I felt deflated that the efforts already put into basic marketing tactics had not yet taken effect, and also that the Directors did not yet see the value in them. This was the start of what would be an upward battle.

Whilst under taking the first few marketing tactics it became apparent that the Managing Director did not want to give up control of the content being produced and the design of said content. This continued throughout my time in the case study company. Each time it made me feel that the work being produced was not good enough, and at times I would not even attempt to write content and ask the Managing Director to create something from scratch. It was at this point when I attended the two industry specific exhibitions to talk about what language was understood by the various prospective customers. I was then able to go back to the Managing Director and explain that what he had been creating was not working due to the content not being understood by everyone. The Managing Director then gave up a small amount of control when it came to content writing. At roughly the same time I introduced papers such as Sarasvathy's paper on Effectuation, which helped to push the directors to start to act on marketing, allowing me to trial more marketing methods without being questioned at every step of the way, again showing that the directors could give up some control.

Another very pertinent point of the case study was the way in which the case study company carried out its customer service, or in my eyes, did not carry it out. I noted throughout my time embedded within the business that when a customer rang in with a support query the developers who answered the phone would simply ignore the request and tell the customer to raise a support ticket, no matter what the issue was, or who the customer was. Also, when the customers rang asking to speak to any of the Directors none of them would

speak to the customers. I could not tell if this was arrogance or fear on behalf of the directors. Myself and the Customer Relationship Manager attempted to help to improve the customer service and aftercare support but the directors did not seem to want to listen. This led to frustration my behalf because even though it was not a traditional marketing tactic, relationship marketing is very important for entrepreneurial businesses.

Moreover, the above led me to want to speak to the case study company's current customers to find out what they really thought of the business and product. It took me nearly 10 months to get the directors to allow me speak to the current customers. This made me feel that either they were hiding something or that they were afraid of what the customers might say if they were asked to speak frankly, and after I had been to speak to the customers I could see where the fear had come from as the majority of customers were not happy with the service received from the case study company and also the development of the software. However, after having done this research and being able feedback to the case study company they were able to work on their customer service and product development – even if it was very basic, any change was a positive one."

Throughout my time in the case study company I would constantly have to prove the worth of different marketing techniques as well as the whole marketing strategy. However, at the end of my time in the case study company it could be seen that the Directors were finally starting to understand basic marketing, relationship marketing, contemporary marketing methods, and what it means to have an entrepreneurial marketing mind-set.

5 Findings and analysis

5.1 Introduction

As stated in section 1.5, the rationale of this research is marketing in a specific context, within the high technology based small firm, the way in which marketing is carried out and how this aids going to market. The specific objectives for the research were developed further in section 1.2 and were set out as follows:

- To explore the way in which a high technology based small business goes to market.
- To outline a conceptual model for application within the case study company.
- To carry out an extended case study of a high technology based small business using participant-observation.
- To gauge the perceptions of a high technology based small business' customers and to investigate relationships and make improvements.
- To seek to identify refinements to the conceptual model to create a more practice-based model for future application.

Chapter 3 established the methodological foundations that support such an enquiry and exploration of phenomena in context; it also considered and justified a research strategy, design and the criteria for analysis. As debated in section 3.3, a case research design was chosen to enable exploration of and meaning-making within complex phenomena – in this study, marketing in high technology based small businesses. The type of case study undertaken and its justification is articulated in section 3.3.1 and uses an 'inquiry from the inside' approach, which reflects the direct involvement by the research in the study and the close proximity the researcher has with the context.

Section 3.3.2 outlined the units of analysis and section 3.4 detailed the data collection method, the result of which has been reported in section 4 and will be analysed throughout this chapter.

The implications of the findings of this study for extant literature, marketing practice and methodological considerations – the generic view – will be considered and discussed in Chapter 6.

Looking at the extant literature (Chapter 2), it can be seen that most of the research into marketing has been aimed at larger organisations rather than SMEs, and more specifically high technology based small businesses. The research into this specific area has shown that although the owner-managers are well versed in the technical aspects of product development, they know or understand little about the way in which the products can be taken to market. This chapter looks to explore the research that was undertaken within the case study company and how the findings relate to the extant literature and, most importantly, the gaps within that literature to look at how these gaps can be filled.

As can be seen in Chapter 4 and most specifically in Section 4.5, the researcher had an effect on the case study company not only the on tactics and strategy used within marketing, but also on the culture of the owner-managers and company as a whole. From the time the researcher started and the case study company didn't know the different between marketing and publicity to the end of the researchers time within the case study company when the owner-managers and other employees better understood not just marketing in the basic of terms, but understood the need for better relationship marketing, contextual marketing and contemporary marketing methods. Also, the owner-managers who are high technology entrepreneurs with a high locus of control started to give up that control to the researcher with regard to content being created and also with the types of marketing tactics being trialled. Below is a timeline of the most pertinent events showing where the research had an effect on the case study company and the actors within.

Month	Action	Affect
Aug-11	Started at Case Study Company	First Marketing professional within the business - new dynamic
Sep-11	New marketing strategy	Owner-Managers still wanting to know how marketing benefits business
Sep-11	Multiple Marketing tactics and marketing whitepaper	River of Knowledge Concept created and Marketing Innovation introduced
Oct-11	Customer research requested	Denied access to customers, researcher started to question relationships with customers
Oct-11	Corporate Video Suggested	Control started to hand over, showings of the start of understanding Marketing
Nov-11	Customer service levels questioned	Owner-managers agreed but yet to act on suggestions
Nov-11	Sarasvathy (2001) paper introduced	Owner-managers mind-set starts to change an allows more novel marketing tactics
Dec-11	Customer research requested again	Request considered but no definite answer
Jan-12	1st phase of website re-launched	Conflict between directors for content and unwillingness to allow researcher to create content. No full release of control still.
Jan-12	Business Strategy Created by NED	First time the case study company seemed to have strategic direction
Feb-12	CRM System introduced and data purchased	First time case study company was able to track all activities with customers and prospective customers
Feb-12	Email marketing system re-evaluated	New system implemented allowing for tracking and scoring of prospective customer engagement
Mar-12	Regular Marketing Meetings	More communication between researcher and directors. Allowing for more fluid strategy.
Apr-12	Contextual Marketing introduced	After contextual language introduced engagement levels increased
Apr-12	Tracking all marketing activities	Ability to track helped with development of content and tactics. Also, scoring of lead engagement to aid in the prioritisation of lead contact

		Market Intelligence about the case study company gathered from current customers. Able to provide feedback to case study company to improve customer relations and product development
Jun-12	Customer research carried out	
Sep-12	Customer research complete	
Oct-12	Telemarketing Campaign introduced	Human Interfacing introduced
Dec-12	Telemarketing Campaign Completed	Multiple prospect meetings booked.
Feb-13	Website re-launched	More up to date website, with updated content, improved conversion rates and improved website metrics.

Table 5.1: Timeline of events throughout Case Study

5.2 <u>Aims of research</u>

The main aim of the research as noted in section 1.1 was to examine how high technology based small businesses, particularly the case study company, can use a combination of entrepreneurial, innovative and relationship marketing to successfully go to market and increase turnover.

The overall aim of the research was to develop a model of the way in which technology companies could successfully go to market, underpinned by theory development.

This PhD project aimed to develop both a theoretical conceptual model and a practice-based application of the model for application in the case study company, with analysis of how this could be more widely applied to other technology companies.

This chapter will look at analysis from the literature and an in-depth analysis of the case study data generated, to see if the conceptual model suggested in Chapter 2 can be applied to the marketing of high technology based small

businesses and if so, what, if any improvements could be made to not only the model, but to future case studies.

5.3 <u>Findings from Literature Review</u>

From the literature in Chapter 2, there were three key themes that were generated that highlighted the shortcomings in the research already undertaken by previous scholars. These themes were Market Intelligence, Marketing Innovation and Human Interfacing (Table 2.3). To recapitulate the shortfalls in the literature are as follows:

- Market Intelligence
  - The literature highlights the fact that most entrepreneurs are not marketing orientated and they do not see marketing as a necessary, more as an 'add-on'. However, there is little research as to why this is, most especially in high technology based small businesses. It also highlights that relationships and networks are extremely important for entrepreneurs to gain market intelligence and networking to help SMEs in particular to develop and grow their business, but there are no developed models as to how this market intelligence should be gathered or used.
- Marketing Innovation
  - Despite the significance of marketing and innovation to high technology based small businesses, scholars note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of innovative marketing theory relevant for high technology based small businesses.
- Human Interfacing

    There is a need for trust and relationship-building between businesses and organisations, but also between organisations. With the longitudinal relationships that come with business to business purchasing, there is a greater need for much more in-depth relationship marketing to ensure that the customer acts as an advocate but is also willing to help with the creation of new

products/services. This trust must be built by the entrepreneurs interacting with customers and prospective customers on a human scale. There is a lack of literature highlighting what sort of trust should be developed for high technology based small businesses and how this should be done.

The themes were then incorporated into a conceptual model that shows how the three themes are interlinked with not only the entrepreneurs but also with the customers or prospective customers (Figure 2.4). The model also shows how the flow of information is very important and that it cannot just be a one-way flow, it has to have a continuous two-way flow to achieve success in going to market. Carson *et al.* (1995) suggested that with the lack of time and resources for a number of entrepreneurs, they often glean marketing information through conversation with people they interact with on a daily basis, and this constitutes the market scanning which is used to keep them up-to-date about conditions, changes in their market, customer requirements, and competitor news.

It could be seen in the literature that there was no link connecting entrepreneurial marketing, marketing in high technology based small firms and business to business marketing. The supposition of the research is that this link is needed to help high technology based small firms successfully go to market. Hultman (1999) suggested that in future research, especially at the marketing and entrepreneurship interface, it may be fruitful to integrate concepts from both the marketing mix and the relationship marketing frameworks. Such a conclusion further supports the research premise that an ethnographic study of a case study company willing to let a researcher trial and test the different elements would be successful in identifying a suitable balance of marketing, innovation and technology. This research addresses the research issues suggested by looking at a combination of the marketing mix, business to business marketing, relationship marketing frameworks, and entrepreneurial marketing theory.

5.4 <u>Analysis of methods</u>

Throughout the researcher's time within the case study company there were a number of research methods that were undertaken to ensure complete immersive research was carried out. Michael Quinn Patton (2002) suggested that qualitative analysis transforms data into findings. No formula exists for that transformation. Guidance, yes, but no recipe. Direction can and will be offered, but the final destination remains unique for each inquirer, known only when–and if–it is arrived at. This complements the fact that the methods used for the case study research data gathering are qualitative in nature, as will be the analysis of the data. The methods that were undertaken for this research have been written in depth in section 3.3.1.

Case studies are a mixture of a number of qualitative research methods such as autoethnographic participant-observation, in-depth responsive interviews and inquiry from within, all of which fall under narrative inquiry and action research methodologies. Mahoney and Goertz (2006) claim that qualitative methods are the best strategy for exploring a new area. However, qualitative research is not without its problems. Denzin (2006) describes how critics see qualitative research as being unscientific, only exploratory or entirely personal and full of bias. Citing Patton (2002), Flyvbjerg (2006) identifies few weaknesses of qualitative research such as the inability to manipulate independent variables and the risk of improper interpretations. A number of authors (Janesick (1998), Gummesson (2000), Yin (2008), Holliday (2007)) provide guidance on how such disadvantages may be minimised, if not eliminated.

Reporting a case study can be a difficult task for any researcher due to the complex nature of this approach and the multiple methods used to generate the case study data. It is difficult to report the findings in a concise manner, and yet it is the researcher's responsibility to convert a complex phenomenon into a format that is readily understood by the reader. The goal of the report is to describe the study in such a comprehensive manner as to enable the reader to feel as if they had been an active participant in the research and can determine

whether or not the study findings could be applied to their own situation. It is important that the researcher describes the context within which the phenomenon is occurring, as well as the phenomenon itself. There is no one correct way to report a case study. However, some suggested ways are by telling the reader a story, by providing a chronological report, or by addressing each proposition (Baxter and Jack, 2008).

As part of the case study research the researcher employed narrative inquiry to contribute to the autoethnographic participant-observation that was being made. As with any other paradigmatic position, narrative inquiry is not without its criticisms. There are some common areas of criticism of narrative inquiry.

The first criticism is that the goal of the research is therapeutic rather than analytic. (Ellis and Bochner, 2000). Researchers can be analysts with an analytic goal but the stories may also have a therapeutic value in that they provide a 'therapy' for the research generated as it guides it to a conclusion for the case study company and the researcher alike. The second criticism is that researchers often represent narratives as if they were 'authentic'. In narrative inquiry, we work with what we gather but look for 'the supporting evidence and argument given by the researcher' (Polkinghorne, 2007) for the claim that is made. These criticisms and counter-arguments show that even though narrative inquiry and the methods that fall within this are relatively new to academic research, they are still valuable and relevant in today's world of qualitative research.

5.5 <u>Case Study Analysis</u>

Looking the section 1.2, the research opportunity was made clear because as Mannermaa *et al.* (2000) point out, IT professionals who found businesses normally have a largely imbalanced focus on technology more so than marketing. However, the case study company did benefit from the limited marketing skills of its founding directors. This saw them closing some high-value contracts, but they never understood how or why these opportunities came about and how the businesses were attracted to the case study company.

The researcher found only one example of a prior attempt at reaching potential customers using the traditional direct marketing techniques of flyers and letters sent out between 2005 and 2009. The researcher was unable to determine from the company's records how many sales were as a direct result of these techniques. This was further evidence that the basic marketing that had been carried out had no strategy or specialist experience behind it with regard to market research.

However, when the researcher was first placed with the case study company, it was clear that the directors were not absolutely sure that the marketing they were carrying out was not working because they were still getting sales – which was later discovered to be because of word of mouth and recommendations from other customers, showing the importance of relationship-building with current customers for future recommendations. As the researcher had come from a professional marketing background with eight years' experience, it was clear to her that the culture of the business and its understanding of marketing was going to be the first barrier to creating successful and innovative marketing campaigns. When the researcher was first placed in the business and the marketing strategy was being implemented, the managing director consistently asked why sales calls were not coming through. He expected that as soon as a marketing person was put in place, the telephone would be ringing constantly with interested prospective clients. He did not understand the complexities of how marketing and going to market work. This needed to be addressed by creating not only a more suitable marketing plan compared to the basic 10-point plan that had been supplied, but by also writing a small introductory paper explaining what marketing is, how it would affect the case study company, and what the importance of it was in relation to the case study company.

This supports the literature by Simmonds (1985), Hills and LaForge (1992), Gilmore *et al.* (2001), O'Dwyer *et al.* (2009) and Gilmore (2011), who all comment on the haphazard and informal nature of marketing in SMEs and note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of innovative marketing theory relevant for SMEs. This was a key point that the researcher took into consideration throughout the

18 months that she was based at the case study company, but it was key to the prior observations of the case study company.

5.5.1 <u>**Discussion of key findings in relation to conceptual model**</u>

The research that was carried out and that has been detailed in Chapter 4 has been put into an overview table (Appendix 7) and each piece of relevant raw data and insight has been summarised against one of the three I's from the researcher's developed themes taken from Chapter 2 and as described in 3.5.2. Here it can be seen that all of the work carried out and the insights gleaned from this research falls into one of the three themes suggested by the researcher. The rest of this section will look to further expand on each theme to investigate the researcher intervention and how the themes develop into a conceptual practice-based model.

5.5.1.1 Market Intelligence

There were three main types of market intelligence-gathering that were undertaken by the researcher. These were external research (Jones and Rowley, 2009a); customer research (Gilmore *et al.*, 2001); analysis of data (email, website etc.). Market intelligence was deemed important by the researcher as, without this, there was no way to know if the messages that were being sent were contextually correct and being understood or responded to. However, at first the owner-managers did not see the need for any market intelligence to be undertaken, which is inline with the research carried out by Jones, et al., (2013a). It took a number of months before the researcher was able to convince the owner-managers that market intelligence was valuable.

The first major piece of market intelligence that was undertaken was not until the researcher had been in the case study company for seven months. This research involved the researcher attending two different sector exhibitions. More information about this can be seen in Chapter 4. Attending the exhibitions meant that the researcher was able to understand what language was relevant for each sector. As suggested by Deacon and Harris (2011), the difference in understood language also showed that previous marketing materials such as

emails and the website may not have been effective for all industries; however, with the change in language for the new sectors selected by the research, it would now be possible to make all marketing material contextual and relevant, to increase customer engagement.

Another form of market intelligence work that was carried out by the researcher was the tracking and analysis of all the marketing that was being undertaken (Appendix 4). This tracking database was implemented to enable the researcher to investigate what marketing tactics were working, and if any changes were positive or negative, for example, when content was changed on the website, the researcher was able to track the bounce rates, pages visited and visit times to see if the new content was engaging or not to prospective customers. This was done manually using spreadsheets in Excel, but it meant that on a weekly basis the researcher and the Managing Director were able to see improvements in website visits, email open rates, lead nurturing scores, Google AdWords clicks, YouTube views, and brochure downloads. This market intelligence showed where improvements were needed to be made, for example, if the previous week's email campaign had a low open rate, the emails would then be analysed to see what could be changed/improved to increase the open rate for the next email campaign. Without this type of market intelligence, it would be impossible to know how successful or effective any of the marketing carried out was, and, therefore, the case study company could be putting its efforts into something that was not effective and missing out on opportunities that would be more relevant and worthwhile. Prior to this tracking database being implemented, there was no way for the case study company to know what marketing was or was not working, therefore the implementation of this database was imperative to the researcher's study.

The most important piece of marketing intelligence work that was undertaken by the researcher was the customer research. As mentioned throughout Chapter 4, it was requested time and again that the researcher be able to speak to the current customers as it was important to find out what the customers thought of the case study company in terms of the product they provide and also to discover information about the relationships that customers had with the case

study company, but from the customers *themselves*, in order to get a 'real' view of the relationship (Gronroos, 1999; Srivastava *et al.,* 1999 and Blattberg *et al.,* 2001).

This was the first time that any formal market research was undertaken with customers of the case study company. This data provided the case study company with information about what people want from an ecommerce solution and also from the company as a whole. This in turn fed market intelligence into the marketing department to ensure that the message that the case study company was sending to customers and prospects was relevant and would be understood and noticed. The researcher spoke to 16 of the case study company's customers, which is 34% of their customer base. Each customer took part in a face-to-face interview.

After analysing all the responses from customers it can be seen that there were two major areas that needed more focus.

These areas were:
- Account Management (Human Interfacing & Market Intelligence)
    - With a decline in new contracts being signed, the relationships with current customers are much more significant. The company needs to be able to support customers' needs, and by doing this, will improve relationships with customers. In turn this could lead to customers spending more and becoming lifelong customers.

- Product Development (Market Intelligence)
    - The way in which the product is developed needs to be changed – there needs to be research into the current market – what is out there, what the competitors are doing, but also, more importantly, the customers need to be involved in this development. A majority of the customers interviewed said that they would like to be involved in the development of the platform to ensure it is relevant for all parties.

This customer research looked at the customers' perspective with regard to the main attributes that they would expect to see when embarking on a project with a high technology based SME. These attributes highlight the need for good market intelligence to build a good relationship, not just at the start of the project, but throughout the life cycle of the time working together. The researcher presented a paper at the Academy of Marketing Science Conference (2014) which helped to further inform the research by Parry *et al.* (2011) and Pollard and Simberova (2012) which looks at the need for high technology based SMEs to focus on more successful Relationship Marketing, to ensure that they are not just product-focused, as is the norm for this style of company. This paper alongside the case study company customer research makes a contribution to the theory of relationship marketing and management by providing insight into the customer-perceived value of relationships in high technology based SMEs.

The data transcribed from the study was input into a table to show the frequency of words used throughout the semi-structured interviews (Appendix 6) as per the thematic analysis outlined in Section 3.5.2. This study has looked at the keywords that were recurrent and it can be seen that the most recurrent keywords or 'themes' act as additional attributes to the previous study by Parry *et al.* (2011). This shows that the additional research that has been conducted for this study, as an extension to the Parry *et al.* (2011) study, confirms the attributes that are most highly-rated by the customer, when looking to work with high technology based SMEs are, Account Management; Support; Product Development and Features.

Market Intelligence is important for marketing in high technology based small businesses, as looking at the research carried out for this study and the previous research carried out by Parry *et al.* (2011), it can be seen that high technology based SMEs should be proactive in developing an underlying relationship and dialogue with current customers and also prospective customers to help not only with the life cycle of the project, but also with the development of the product, ensuring that all customers (old and new) have

their needs met. The findings from this study also show that if the business does not understand what is happening in the market with regard to the language needed for different industry sectors, then the marketing tactics that are taking place will not be contextually correct (Deacon and Harris, 2011). Therefore, the marketing that was being carried out initially by the case study company was only effective to a small majority of prospective customers. This was tracked using the marketing analysis that was carried out on weekly basis to see what was and was not working, and once the intelligence gathering from exhibitions had taken place, the improvement in marketing effectiveness could be seen with the increase in open rates, website visits, time spent on the website, YouTube visits, etc..

5.5.1.2 Marketing Innovation

As said previously, before the researcher started with the case study company, no formal marketing strategy or techniques had been used. Therefore, any marketing that was implemented within the company was seen as innovative, whether that be an administrative marketing technique (flyers, brochures, etc.) or a contemporary marketing technique (social media, email, etc.). This section of the chapter will look at the types of techniques that were used and how they have benefitted the case study company. It will also look at the literature to see if there is correlation with extant literature.

Because of the nature of the business, the marketing started out haphazardly with no formal plan. Even though a 26-point marketing strategy had been created, the work deemed most important came from the owner-managers. However, after reading the suggested paper on effectuation, and having the researcher explain the need to be flexible and proactive rather than reactive, identification of marketing opportunities was acted upon immediately, ensuring that the momentum was not lost. However, all of this marketing was done on an ad hoc basis, and at first was not using any form of tracking or measurement of performance. Once the tracking was underway (Appendix 4), it was easier to be able see what marketing innovation was and was not working, to help to create more defined plans.

The definition of relationship marketing as pointed out in Appendix 1 says that Relationship Marketing attempts to involve and integrate customers, suppliers, and other infrastructural partners into a firm's developmental and marketing activities (Seth and Parvatiyar, 1995). This is where the very first marketing technique was focussing its efforts – to create more successful relationships with, and involve customers with the business, to let them know what was happening so that they feel like they are a part of the internal community, not just sitting on the side-lines waiting to see what happens with the business. The idea of the newsletter, which was to be sent out to shareholders and current customers, was to give them a feeling of involvement. There had not been any marketing or communication targeted at the current customers. With the customer research that was carried out at a later date, the animosity towards the case study company was revealed, with the most prominent comment being the lack of account management, showing that the relationship and trust with the case study company was lacking; however, this will be explored in more depth further in this chapter.

The next marketing tactic that was put into place was email marketing (Salehi, 2012). For an online ecommerce company, it was unexpected to see that there was no email marketing already taking place. There was email software in place and a database of approximately 5,000 contacts, it just had not been put to use. As stated by Chaffey (2004), with the advent of internet technology, the traditional marketing frameworks are redesigned and supported by electronic technologies to create innovative marketing models. This was important for the case study company as they are an internet technology business not using the technology to its full advantage. Not only was the email marketing to be used to create awareness for the brand, but it was to help with building customer relationships through various campaigns (Chaudhry, 2007). When the first email was attempted by the researcher, the open rates and unsubscribe rates were very high (10–15%). This was expected by the researcher as this was essentially the first time that the database had been emailed from the case study company, and a large number would straight away unsubscribe thinking that it was of no interest (due to the content, or just the fact that ecommerce was of no interest to them). However, as time progressed, the email marketing

changed by way of content, design, software, frequency and database quality, and the responses to the emails increased in line with this, with higher interactions (click-throughs, open rates, shares, etc.), as can be seen in Appendix 4. As the email marketing matured, lead-nurturing became more important as this was a great way to build relationships with potential customers (Ernst, 2012). The lead nurturing looked at the email campaigns that were sent and the responses to these campaigns. As the interaction with the emails increased, so did the personalisation of the emails and the content that each recipient was receiving, until the interactions were at a point where the directors should have been comfortable ringing up the prospective customers if they had not already rung the case study company for further information. However, this was the point where the interaction with the prospective customers ceased as the directors seemed too not want to continue the conversation with a telephone call.

York (2011) suggested that a new business to business buyer has arisen that is more connected, more impatient, more elusive, more impulsive, and more informed that its pre-millennium ancestors, and with the advent of this new type of buyer, it was important that the case study company keep up with the way in which the information search is carried out. This was most important with the introduction of social media marketing. The extent of the social media marketing that had been carried out before the researcher arrived extended to a Twitter page, with few updates, and a Facebook page with no updates. And as suggested by Wright and Hinson (2008), social media has a big potential impact on public relations and especially that is has the potential to change the way that companies communicate with their customers, and if the social media channels are not being used effectively, then they could have an negative impact on the customer's view of the business. This is where the researcher created the concept of a 'river of knowledge'.

After gathering market intelligence data, it was clear that different targets would need different information and in different contexts, therefore multiple social media feeds were created to ensure that the language used for each target was able to be understood – for example, six Twitter feeds were created, all with

different content, language, keywords, etc. Social media marketing was seen as a form of marketing innovation within the company as it had never been used before in this context, or with the previous marketing intelligence gained (Michaelidou *et al.*, 2011). The social media channels were used to create a stream of useful information, rather than just promoting special offers on goods and services. The language used and the types of information that were put onto the social media channels were discovered after the researcher spent time attending exhibitions for the target sectors (Tables 4.2 and 4.3). The social media channels helped to enhance the communications between the case study company and the customers and prospective customers. It was seen that, as the more targeted emails and social media messages were sent, the increase in email activity and social media activity was measureable. For example, Twitter went from zero to 300 followers in three months; open rates on emails went from 2% to 8–10% per email sent. Once this market intelligence gathering had been conducted, all of the marketing that was carried out continued to be contextual and relevant to the selected industry sectors, and this remained the case throughout the rest of the time within the case study company.

This section of research highlights the value of innovative marketing in high technology based small businesses. Hultman (1999) suggests that given the break-through of the World Wide Web, information technology and worldwide logistics systems, innovative marketing may be an area where high technology based small businesses can take the advantage. However, O'Dwyer *et al.* (2009) note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of an innovative marketing model relevant for high technology based small businesses. Therefore, if the case study company were to continue as it was, with its minimal marketing efforts, it would be unsuccessful in going to market, as these marketing efforts were very administrative. Innovative marketing had to be introduced to address the change in buyer behaviour as well as to stay effective in going to market with their product. The introduction of innovative marketing techniques meant that the case study company became more visible in the relevant industries that they wanted to target, meaning that their target audience increased

dramatically. Moreover, once the market intelligence had been undertaken, it meant that the messages sent out to the different target audiences via the numerous marketing channels were at their most effective (O'Dwyer *et al.*, 2009; Hansen *et al.*, 2010; Hultman, 1999; Gilmore *et al.*, 2001; Albadvi and Hosseini, 2011).

5.5.1.3 Human Interfacing

As can be seen in section 4.3, the researcher discovered that the customer service delivered by the case study company was below par compared to the researcher's previous experience of dealing with customer service in a professional role. The customer service provided by the case study company would vary on a daily basis. For example, one day the researcher or accounts team would answer the telephone and speak to a client and deal with their issues in the best way possible, but then the following day a member of the development team may answer the call and would simply tell the client to put the issue on the extranet (support ticket system) and that it would get looked at some point. It would not matter who the customer was or if they had a priority service agreement. As stated by Chenet *et al.* (2010), high levels of service quality drive differentiation which can operate as a competitive advantage for firms (Grönroos, 1983; Parasuraman *et al.*, 1988; Rust and Oliver, 1994; Rust *et al.*, 2002). Differentiation itself is a critical concern to business to business service providers, as the more a service offering is differentiated, the less willing clients are to switch providers, and the more likely they are to be satisfied with the firm's offering, recommend the firm, and ultimately remain loyal (Fisher, 1991). This shows the importance of customer service in a high technology based firm such as the case study company; however, the developers and the directors seemed to be afraid to speak to clients as highlighted in Section 4.6.

Roman and Martın (2008) suggest that in industrial markets, increasing a customer's contact with sales representatives enhances service quality and therefore builds the relationship and ultimately, value. Today, service organisations are shifting their focus from 'transactional exchange' to 'relational exchange' for developing mutually-satisfying relationship with customers. Extended relationships are reported to have a significant impact on transaction

cost and profitability, and customer lifetime value. Serving the customers, in its true sense, is the need of the hour, as the customer was, is and will remain the central focus of all organisational activities; therefore, if the developers are not willing to speak to customers and give acceptable customer service, then how is the business going to enhance its relationships?

Because of this lack of customer service and ultimately human interaction (the developers wished to hide behind their screens and emails, away from interaction), the feedback from the customers as part of the customer research already mentioned (Section 4.3) highlighted a number of times how they would like to see the relationship with the business and the support services from the business improve, and a number of the customers also said that they would happily pay more if this improved.

The most used form of marketing in the case study company before a formal marketing professional was appointed was word of mouth marketing, and small amounts of relationship marketing; however, neither of these were ever managed, it was all very much on an ad hoc basis - referrals from clients to potential clients were not encouraged or rewarded, but still happened occasionally. After carrying out interviews with a number of the company's clients (Section 4.3), it was easy to see that one of the most important things they desired was better and more relationship- building (account management) to improve their feelings towards the company. It was made very clear that if this was improved, the amounts spent and the word of mouth recommendations given would have both increased - therefore increasing customer value as well as revenue.

A study from Bangor University in North Wales carried out by Jones and Rowley (2009a) concluded that in the software sector, relationships with existing customers are necessary not only for generating future revenue but can provide further business opportunities. Whilst word of mouth is prevalent in this sector, lasting relationships with current customers facilitate a clearer understanding of customer requirements and learning how end-users use the software, therefore

highlighting the need for the owner-mangers of the business to interact with their customers, not just to assume that they know what the customer wants.

Whilst the marketing was being undertaken by the researcher, leads were being generated from prospective customers. These leads were calculated using a selection of different interactions with the case study company. These were: email opens, click-throughs on email links, social media (follows/likes), and website visits. Each of these interactions was scored accordingly. Within the first six months of the researcher being placed within the business, there were approximately 400 marketing-qualified leads generated. Each of these leads was given to the managing director and business development directors, who, rather than telephoning, decided to send direct mail letters. This showed the researcher that there was reluctance for interaction with prospective customers on a personal basis. This was not the first time that the owner-managers would not personally interact with customers and prospective customers; it could also be seen in the way in which customer service was handled, as discussed previously. This again showed reluctance for human interaction.

Eventually, a telemarketing agency was bought on board to follow up on the leads using human interaction rather than basic direct mail. This showed that the owner-managers started to realise that there was a need for some form of interaction with prospective customers to be able to start the sales cycle with them. The results of the telemarketing campaign can be seen in Chapter 4, and these results showed that to be able to go to market successfully, some form of human interaction is needed.

The researcher discovered that the owner-managers had moved from the belief that the telephone was going to ring non-stop with inbound enquiries, to understanding that without some personal interaction, sales were not going to happen. The researcher pointed out that this interaction did not have to be in the form of direct sales calls, it could have been through networking events, exhibitions, roundtables, demonstrations, etc. However, the fact that the owner-managers looked for a telemarketing agency showed a change in the way they thought. This shows that, as mentioned in Chapter 2, there is a need for trust

and relationship-building between businesses. With the longitudinal relationships that come with business to business purchasing, there is a greater need for much more in-depth relationship marketing to ensure that the customer acts as an advocate but is also willing to help with the creation of new products/services. This trust must be built by the entrepreneurs interacting with customers and prospective customers on a human scale (Gilmore *at al.*, 2001; Morris et al., 2002; Albadvi and Hosseini, 2011).

5.5.1.4 Observations from case study

There were points of time throughout the case study where the case study company shifted from haphazard marketing (Gilmore *et al.*, 2001) to a more formalised strategic and innovative form of marketing, showing not only a change in the way the directors think about marketing, but also a change in the culture of the entire business. The first sign of this was the acceptance of a more substantive marketing plan compared to the simple 10-point plan that was first presented to the researcher. When the directors were given the Sarasvathy paper on Effectuation, it changed the way in which not only the researcher thought, but also the way in which the directors thought. It meant that they were no longer tied to Gantt Charts, or marketing plans.

They were happy to have an overall marketing strategy complete with administrative and entrepreneurial marketing techniques, but it meant that the researcher had a bit more of a free rein to do what she felt was relevant at the time, albeit with the content still coming from the managing director. This control from the managing director was there throughout the case study research. One of the reasons for this could be because of the so-called 'Founder's disease' (Price, 2012). Price suggests that one of the traits of entrepreneurs who have Founder's disease is that they have trouble letting go and have to be involved in everything, even the smallest of decisions. He also suggests that entrepreneurs with this affliction are also not coachable, in that they approach most situations thinking that they've already got the answers, and they're not good at accepting outside advice from experts. And in this context, the expert was the researcher who has been a marketing professional for over eight years. This is also in line with the theory of the psychology of the entrepreneur and their desire to be the

locus of control, which can be tracked back to Rotter's social learning theory (1966), which clarifies how perception of control affects the behaviour of individuals. An internal locus of control means they believe their environment, in this case the performance of their business, is controlled by their own actions.

As pointed out by Deakins and Freel (1998), the development of strategy within SMEs and by small firm entrepreneurs has often been portrayed as limited, and operations managed on a day-to-day fire-fighting basis. This rather static and black box view does not allow for the learning process that takes place as entrepreneurs, merely from the learning process, modify behaviour and develop strategy. This process happens rapidly, entrepreneurs learn to adjust, take decisions and develop a strategy that may not match pre-conceived notions of business planning. However, the appointment of the new Non-Executive Director created a shift in the way in which the directors operated. The new Non-executive Director had a background working in large international corporations and was both focused on, and experienced in, business strategy. A business strategy was drawn up over a short period of time, which was the first sign of any formal business strategy since the researcher had started with the case study company. This strategy helped to inform 'how' the case study company would go to market and from this, a much more effective marketing strategy could be created and implemented.

5.6 **Contribution to new knowledge**

The research undertaken within the case study company has contributed to new knowledge by taking the model created (Figure 2.4) by the researcher from the shortfall in the literature and applying it in the case study company. Throughout the case study the researcher applied and developed the conceptual model to create a descriptive practice-based 3I's model (Figure 5.1). This model is an addition to current literature as it draws together the uniqueness of high technology based small businesses and the characteristics of the owner-managers alongside the way in which business buyers now search for information, and their expectations of what information they expect to receive.

The model has been developed through an iterative process by revisiting the case study narrative and understanding what was needed by the case study company at each phase. In phase 1 it was clear that there was marketing innovation needed to improve the communications of the case study company with current and potential customers. Market intelligence was discovered to be needed in phase 1 as the researcher visited exhibitions and interviewed prospective customers and discovered that the language being used between two industries was very different so contextual language was needed for future communications. In phase 2, with the results of the customer research it could be seen that some market intelligence as well as human interfacing was needed to improve customer relations, help build the existing customer base and develop the software in a way needed by the customers, not just by how the case study perceived the product should be. Phase 3 started to bring all the I's together, even if not yet completely.

There is a clear indication that the research shows that the weighting of the 3I's model is not equal. The research suggests that the role of human interfacing is particularly important for high-tech SMEs, however, the case study showed that this is the least favoured method. No matter how much market intelligence or marketing innovation is carried out, if there is no human interfacing happening, then going to market successfully will be difficult as even though the case study company was selling e-commerce systems, their customers and prospective customers still wanted to buy from people. It is no use sitting behind a monitor and hoping that the phone will ring with a sales-ready prospect on the other end of the line, not a customer complaining. It is up to the owner-managers to take that step away from the monitors, and to give up small amounts of control to focus on building relationships with customers, starting relationships with prospective customers (human interfacing and marketing innovation) and also doing some market scanning to see what competitors are doing and also to ask the customers what they think can be done to improve the product offering (market intelligence).

The researcher has therefore developed the conceptual model created in Figure 2.4 to the below version:
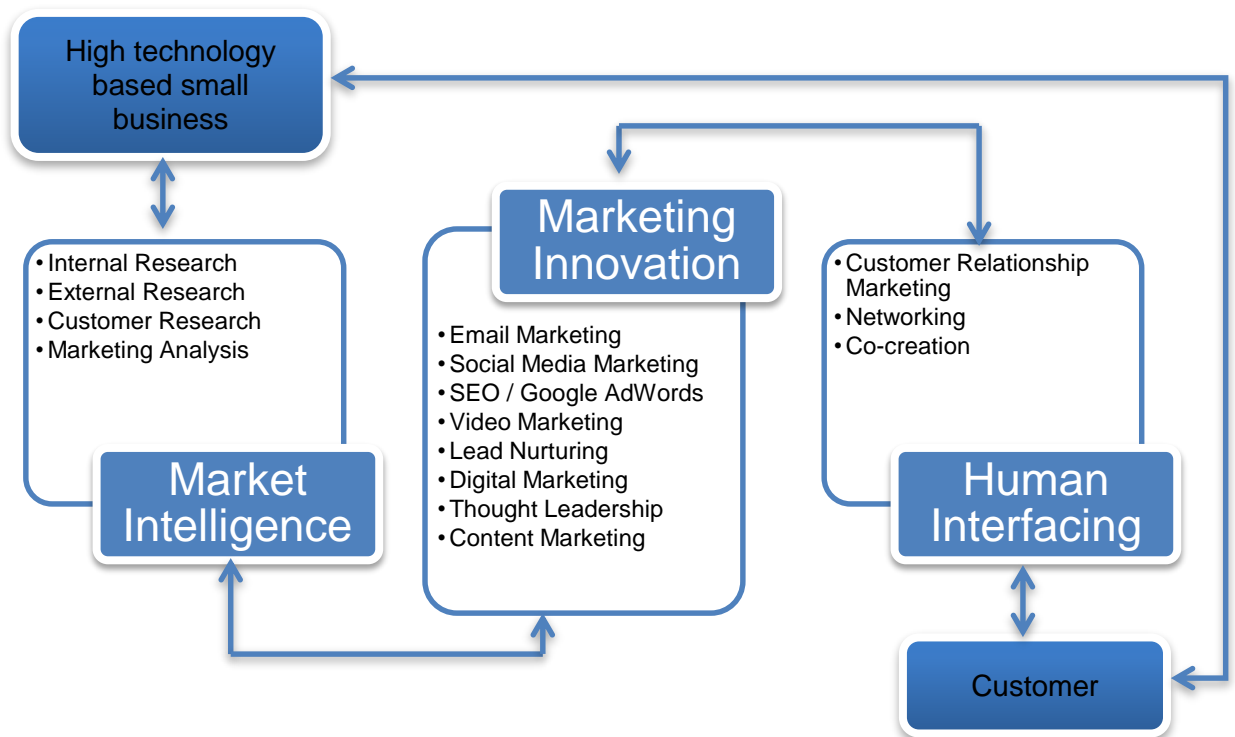
Figure 5.1: Descriptive model of the relationship of Market Intelligence, Marketing Innovation, and Human Interfacing with the owner-managers and customers (3I's Model).

The arrows on the model show the way in which the model should be use, which is in an iterative (spiral) fashion. The information gathered, methods used and feedback from customers alike should flow in a two-way fashion, with each element informing and helping develop the other.

5.7 <u>Chapter Summary</u>

Throughout this chapter the researcher has drawn out the key insights and findings from the 18-month study carried out, which are detailed in the previous chapter (Chapter 4), and analysed the generated data using the methods as detailed in Chapter 3. This has shown that all of these key insights fit within the developed themes from Table 2.3 and that the conceptual model created (Figure 2.4) is relevant to the research carried out within the case study company. This chapter sought to arrive at an outcome to measure the viability of the research.

6   Conclusions and Implications

6.1 Introduction

As this study draws to a close, the final chapter of the thesis will recount the research question, review the extent to which the research aims and objectives have been met and summarise the refinements to the conceptual model previously described in Figure 2.4. Following this, the chapter then states the extent to which the research question has been answered, bringing together all of the aims and objectives originally introduced in sections 1.1 and 1.2. The contribution to methodology will be drawn out to highlight the uniqueness of autoethnographic narrative within the case study research and data generation.

A key element of this chapter is the developed theoretical contributions as well as implications for practice. The implications for practice are more widespread due to the nature of the research, being a practice based case study. This chapter ends by examining the implications for practice with regard to real world application. The outcomes of the research address the issues raised that little attention has been directed towards developing an understanding of how marketing is practiced in high technology based small businesses. In addition, the conclusions address the paradox that traditional marketing tools are inappropriate, whilst the social networks of entrepreneurs and strategic alliances are wholly appropriate to this business context.

The avenues for further research will then be explored so as to provide guidance for the researcher and future researchers who may want to look more in-depth into the 3I's model and develop it for more generic business use or who may also want to interrogate specific parts of the model, such as Human Interfacing or the psychology of the entrepreneur.

Throughout this chapter, the sources of data and analysis previously mentioned in the thesis will be referred to. In order to provide ease of orientation, the component areas of the thesis are summarised below.

Chapter One provided an overview of the research study with reference to the research aims (1.1), objectives (1.2), research rationale (1.3), background to research (1.4), research opportunity (1.5) and finally the thesis contributions are discussed in Section 1.7. These contributions will be discussed at the end of this chapter in Sections 6.6, 6.7 and 6.8. Chapter Two provided a review of the literature and supported the theory that there was further scope for research in the field of marketing for and by high tech SMEs in Wales.

Chapter Three then outlined the philosophical position of the research (3.2) along with the ontological (3.2.1) and epistemological assumptions (3.2.2). The research design was developed (3.3) and data generation methods discussed (3.4). The chapter continued with an explanation of the analytical method used in relation to the data generated (3.5) and concluded with the consideration of the limitations (3.6) and ethical issues (3.7) of this study.

Chapter Four introduced the case study company; it described the case study company in detail and then moved onto the case study narrative. The narrative was then split into three phases. Narrative was used for this chapter as it best told the story of the ethnographic journal that was kept by the researcher over the 18-month period. The methodological contribution of this novel way to recount the research undertaken and also the analysis of this research will be expanded upon in Section 6.5, which will explore the way in which case study narrative and narrative analysis adds to previously used methods for case study research.

Chapter Five went on to describe the qualitative research findings from the extended case study in a narrative format. This included data from participant-observation during the case study and also data from interviews with the case study company's customers as well as external research with a small number of prospective customers. The findings from all aspects of this research confirmed that high technology based small firms market differently to large firms and that there needs to be a different marketing framework for this type of business to be working with. The modified conceptual model can be seen in Figure 5.1 as a practice-based model.

6.2 <u>The key research question</u>

This study set out to answer the research question:

How can the combination of Intelligence, Innovation and Interfacing help take a hi-tech SME to market? A Case Study.

The assumption behind the research was that current theory did not satisfactorily address nor answer this question. Moreover, the fundamental goal of the research was to develop a comprehensive practice based model of the way in which this somewhat under-researched sub-sector of businesses – high technology SMEs – could successfully go to market, with a view to piloting and practical application.

6.3 <u>Implications for theory</u>

This section will look at how the research carried out has implications for the current theory available. Most specifically it draws out the contributions around the following:

- Linking complex theories
- Traditional marketing tools vs. contemporary marketing methods
- Methodology
- Data Analysis Method
- Entrepreneurial psychology
- Contextual Marketing

The outcomes of the research address the issues raised by previous research that little attention has been directed towards developing an understanding of how marketing is practised in high technology based small businesses (Jones et al. 2013a and 2013b) and that traditional marketing tools are inappropriate (Gilmore, 2001), whilst the social networks of entrepreneurs and strategic alliances are wholly appropriate to this business context (Morris, *et al.*, 2002).

A search of the extant literature showed that there has been very little prior study linking entrepreneurial marketing, marketing in high technology based small firms and business to business marketing. The supposition of the research was that this link was needed to help high technology based small firms successfully go to market. Hultman (1999) suggested that in future research, especially at the marketing and entrepreneurship interface, it would be fruitful to integrate concepts from both the marketing mix and the relationship marketing frameworks. This research study has set to meet the objectives of this suggested future research along with addressing the current shortfall in the academic theory.

The literature reviewed in Chapter 2 highlighted the value of seeking to understand innovative marketing as practised by SMEs. Despite the significance of marketing and innovation to SMEs, Simmonds (1985), Hills and LaForge (1992) and Gilmore *et al.* (2001); O'Dwyer *et al.* (2009); Gilmore (2011) and Jones et al. (2013a and b) note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of innovative marketing theory relevant for SMEs. The literature also showed that it is clear that many new high technology firms start without much dedicated marketing expertise unless the founder possesses some prior marketing experience (Pollard and Simberova, 2012).

It could also be seen, more specifically, that there is a lack of relevant literature pertaining to marketing in high technology based small businesses. Boussouara and Deakins (1999) and Jones et al. (2013a) found that small hi-tech businesses associated marketing primarily with dealing with customers, developing products and developing new markets - they also concluded that traditional marketing tools are inappropriate, whilst the social networks of entrepreneurs and strategic alliances are wholly appropriate to this business context. There are a number of reasons that there is limited literature, such as the inability to get close to the inner workings of the business, becoming fully embedded into a business and the willingness of entrepreneurs or owner-managers to completely open up and be free with their business. This limited research highlighted the need for further research into high technology based

small businesses and how marketing is done, or more importantly should be done as part of the growth strategies of the business.

This limited research in the literature were discovered using a narrative approach to literature review, whereby the researcher used the literature to take a general overview of the multitude of related literature that is available and combine it to show where the complexities (Figure 2.2) as well as the shortfalls lie (Table 2.3). This limited research was then combined to create the research question and ultimately a conceptual model (Figure 2.4), which was then used as the basis for the case study. The research question, shortfalls and conceptual model all help to prove the robustness and validity of the reviewed literature as if the literature was not suitable and the review not effective, the researcher would not have been able to apply the conceptual model to the case study company.

Prior to the case study research being undertaken, it was discovered that with the change in marketing paradigms over the years from more traditional frameworks such as the 4P's and 7P's to more innovative methods such as digital marketing and innovative marketing, most of the literature produced appeared to be targeted at larger organisations and there was yet to be a distinct, tailored approach for SMEs (Gilmore *et al.*, 2001). Gilmore *et al.* (2001) also suggested that small business marketing is haphazard and informal because of the way owner-managers do business. It has been well-documented throughout Chapter 2 that small businesses have unique characteristics that differentiate them from conventional marketing in large organisations (Carson, 1999; Hills, 1999 and Jones and Rowley, 2009a). However, more recently, there has been research carried out looking at a new framework to explore entrepreneurial marketing in SME's (Jones and Rowley, 2009a) and the entrepreneurial marketing orientation within SME's (Jones, et al., 2013a; Jones and Rowley, 2011), but these do not explore in depth a model to help high technology businesses go to market (Section 2.6.1).

A conceptual model was created (Figure 2.4) from the developed themes to show the way in which the information should flow and the stages that are

needed for a high technology based small business to go to market. This conceptual model was trialled in the case study company to discover if all the components were needed and if they were equal, or if there is a different weighting to each part of the model.
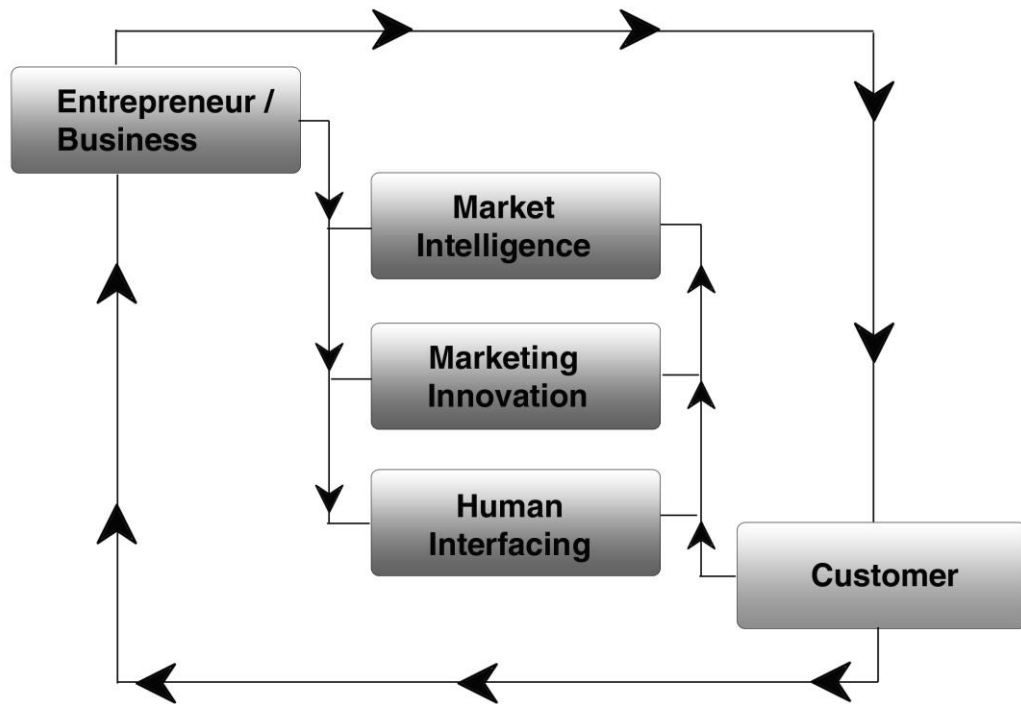
Figure 2.4: Conceptual Model for research

The ontological (3.2.1) and epistemological (3.2.2) stance suggested that the philosophical positioning of this research was interpretivist. The study focused upon a high technology based small business with an aspiration to discover how entrepreneurs within this context view and deliver marketing. Therefore, an interpretive research strategy was pursued that was 'socially constructed rather than objectively determined' (Carson *et al.*, 2001:7). The research paradigm sat at the interpretivist end of the scale and with this approach an emergent stance was taken to exploration and theory-building, through the observation of, and interaction with, the case study company. This philosophy allowed for a number of methodologies to be used for enquiry within a business context and allowed for the emergence of theory, as knowledge evolved longitudinally in line with the study (Carson *et al.*, 2001:62). This approach was chosen within this study as it

suited the focus upon social constructs contextually found within a high technology based small business.

The research was done by conducting single-case study research of the case study company, over an 18-month period, whilst the researcher was based at the company's offices in South Wales, UK. This allowed for the exploration and understanding of complex issues from within. Participant observation of this type is considered a robust research method particularly when a holistic, in-depth investigation is required (Zainal, 2007). The case study used a mixed methods approach, which helped to explain both the process and outcome of a phenomenon through complete observation, reconstruction and analysis of the cases under investigation (Tellis, 1997). As advised by Patton (2002), on the subject of social and qualitative research, using mixed methods in this way allowed for triangulation and the recognition and minimisation of bias in the study.

The case study research was imperative to take the conceptual model and be able to develop it into the practice-based descriptive model outlined in Figure 6.1. The case study enabled the researcher to use the conceptual model to start with a basic outline for a marketing strategy to enable the use of various marketing tactics, be that administrative or innovative within the case study company in a pseudo-experimental fashion. Throughout the case study different contemporary marketing methods were used such as social media, video, digital, co-creation, CRM, PR, exhibitions, whitepapers and email marketing. Each of these methods were trialled to see what was successful. Each of these methods were put into different sections of the developed model where relevant. On top of the marketing methods, different research was carried out internally and externally with customers and prospective customers to understand the language used within the different industry sectors, to improve research and development and also to build stronger relationships.

It is important to note at this stage that the model was developed in a way that allowed further high technology based small businesses and more general

SMEs to be able to pick up the model and work through it as part of their marketing strategy. The implications for practice can be seen in Section 6.5.

The case study method alongside narrative inquiry and action research aimed to contribute both to the practical concerns of the case study company, which was in the problematic situation of not being able to go to market successfully, and the objectives of the researcher by joint collaboration within a mutually acceptable conceptual model. It was previously suggested that action research should be carried out in conjunction with narrative inquiry and case study research as the previous sections (3.3.1.2 and 3.3.1.3) have already highlighted the fact that case study research is designed to provide practitioners with tools whilst the researcher is completely embedded within the case to ensure complete collaboration between the researcher and the case. This combination of methods meant that the research undertaken was as robust as possible and looked at from a number of angles to ensure its triangulation (Patton, 2002).

As part of the internal and external research mentioned previously, the researcher spent time with the case study company's customers, as well as at industry-specific exhibitions to enable in-depth analysis of the customer relationships and their view of the case study company, alongside contextual research, to be undertaken. Previously there has been some research and literature created around relationship marketing and the fundamental imperative of a relationship marketing strategy was noted to be that relationship marketing was to achieve competitive advantage and, thereby, superior financial performance. And for firms to be successful with this they should identify, develop, and nurture a relationship portfolio.

This knowledge was taken by the researcher and imparted onto the case study company as no previous relationship marketing was undertaken, and this was proven through the customer research as the responses received were explicit in their meaning, with responses such as *"You come in, we've bought into the concept, but do not think [the case study company] have bought into ours, it needs to be a two-way street. The best partnerships are two-way"*. Responses like this one allowed the researcher to infer and start to understand the state of

the relationships between the customers and the case study company. The researcher made recommendations off the back of the customer research and this information also helped to inform the development of the model and started to show that the weighting of each section may not be equal, which can be seen in Figure 6.1.

With regard to the external research undertaken, the literature around networks and contextual marketing indicated that building up external networks with prospective customers is important in that it helps with additional R&D research alongside building relationships ready to become sales leads, rather than just marketing leads. However, to be able to build up this network, the marketing pushed out to the prospective customers needs to be contextually relevant – customers in the personal protective equipment industry have a very different understanding of e-commerce compared to those in the office supplies industry. This was backed up by the work undertaken by the researcher at industry-specific exhibitions. The more contextually relevant the message, the easier it will be for the audience to understand and respond in a positive manner. This external research fits into all three categories as part of the developed model, and shows the importance and embeddedness of customer relationships, networks and research within the business.

6.3.1 <u>A methodological contribution using the autoethnographic narrative</u>

In a world of (methodological) difference, autoethnographers find it pointless to debate whether autoethnography is a valid research process or product (Bochner, 2000; Ellis, 2009). In essence, autoethnographers take a different point of view toward the subject matter of social science and they view research and writing as socially-just acts; rather than a preoccupation with accuracy, the goal is to produce analytical, accessible texts that change us and the world we live in for the better (Holman Jones, 2005). Therefore, the research undertaken aimed to contribute to the world of autoethnographic study by showing that without such research, the complete study would not have been possible if the researcher was unable to become completely embedded within the case study

company and report on the day-to-day activities and changes within the business. It also enabled the researcher to become an affecter of change and impart their professional knowledge as an experienced practitioner as a participant-observer. Other styles of research would not allow the researcher to have this much effect on the business. Therefore, with the paucity of research in the area of autoethnographic narrative, the study has supplemented this with this extensive study.

6.4 <u>Implications in practice</u>

This section will look at the practical application of the model, how it should be implemented and also any implications against implementing the model. It looks specifically at the contributions base around:

- The 3I's Model
- Social media and contextual language
- Demonstration of the model

The extant literature shows that it is clear that many new high technology firms start without much marketing expertise unless the founder possesses some marketing experience. Marketing can be outsourced by new companies but at some risk. The key management implications are that the role of marketing and its association with the product command attention in all high-tech businesses but the format of the marketing process may differ (Pollard and Simberova, 2012). Even with the development of a marketing capability, a significant challenge for management is to integrate this marketing capability with other organisational capabilities (R&D, new product development, strategic planning, etc.) in order to both maintain and sustain a competitive advantage. In high-tech small firms in particular, the marshalling of tacit resources such as integration and know-how are key factors in sustaining an advantage in the marketplace.

From the literature and preliminary research findings it was confirmed that marketing in high technology based small firms could be positioned under the three headings of Intelligence, Innovation and Interfacing. Therefore a

conceptual model (Figure 2.4) was created and then modified after application in the case study company to create the 3I's Model (Figure 6.1). Both modes highlighted the information flow between the entrepreneur and the customer, and it was suggested that this is no longer a one-way flow of communication, but a continuous circle of information.

There is a flow of information that needs to be constantly reviewed to ensure that the marketing strategy of the firm is correct. Market Intelligence informs the marketing strategy by highlighting what the customers want and what the market needs. Marketing innovation uses new marketing methods to contact these customers and prospective customers to ensure that they are kept aware of any developments, changes, and new products etc. using social media channels, websites, video and email. Human Interfacing helps to build the relationships with customers and prospects, building their trust in the company and the product, showing that there is a real person behind all of the technology, as ultimately, people buy from people.

Without Market Intelligence the business will not know what the customer really wants or what the market needs, leading to unsalable products/services. Without Marketing Innovation the message will not get through to the customer or prospect as there will just be confusion because of the clutter that is already out there. Without Human Interfacing customers will get frustrated that they cannot speak to someone about their issues or future requirements, and that they are not able to speak to someone about their needs. Therefore, there is a supposition that there is a need for the conceptual model to be implemented into high technology based small firms to help them go to market as without all sections of the model there will be a disconnect between the business and the consumer. The researcher has therefore amended the conceptual model created in Figure 2.4 to the descriptive 3I's model in Figure 5.1.

The researcher has already taken the 3I's model beyond the scope of the case study and has applied it in practice as a marketing practitioner. It has been observed that a number of additional high technology based small businesses are open to the idea of a marketing framework more suitable to them and their

business type. However, to fully apply the model in practice, there are a number of recommendations that the researcher suggests to successfully go to market. The first of these recommendations would be to ensure that someone within becomes an advocate for marketing. As has already been identified, there is normally a lack of marketing expertise within high technology based small businesses, but also sometimes a lack of willing to undertake a more formalised marketing approach. This marketing advocate could be in the form of a marketing practitioner, a colleague who is interested in marketing and the success of the company, or even an external consultant. Once this advocate has been put in place it is then important to ensure that the tools and software needed are all available and easy to access.

The researcher used a number of different marketing tools throughout the process of introducing innovative marketing, but also marketing intelligence, as there are tools available to address both issues. Some software available for carrying out innovative marketing is Hootsuite (Social Media Platform), SwiftPage (Email Marketing Software), Google Analytics (Website Intelligence), Google AdWords (Advertising Platform), Microsoft Excel (Lead Scoring), Sage ACT! (CRM Software) and SurveyMonkey (Survey Software). All of this software is easy to access and use, and can help feed into the intelligence of what is and is not working within the marketing strategy. The role of the marketing advocate would be to take all the relevant tools and use the most suitable combination. It is also important to make use of the intelligence gathered from customer and competitor research to ensure that the language and context used for each target market is correct.

It is important that to successfully go to market and continue to grow the business that the 3I's model be continually reviewed and amended where needed to ensure effectiveness. Also, it is important that the relevant people continually use the model in the business (marketing advocate, owner-managers, etc.) to ensure that the model is ingrained in the culture of the business. It will also help to alter the culture of the owner-managers/entrepreneurs who, as it has been made clear by the research carried out, tend to focus on the wrong things such as technology development

rather than customer service, or distance themselves from the customer after the sale is complete and sometimes even during the sales process. This is important, as the relationship with customers throughout their lifecycle will help with product development, customer loyalty, recommendations and the ability to create marketing literature, such as case studies.

If these recommendations are carried out, the researcher suggests that high technology based small businesses will be more successful in going to market and increasing sales. However, if all of the recommendations are not carried out, for example if the culture of the business is very resistant to change, or if the results are not monitored, then the business will fail to grow. There is further research that needs to be carried out to test the model in additional high technology based small businesses, as well as in more generic SMEs and possibly even larger organisations to further test the validity and robustness of the 3I's model. The type of additional research that could be undertaken will be covered in the next section.

6.5 <u>Future avenues for research</u>

Throughout the study the researcher has set out to address the limited literature and practice based applications and identified, as a consequence of this, additional areas of research were identified and these will be discussed below:

- Application of the 3I's Model
- Table/synthesis of participant oberservation methods
- Entrepreneur psychological traits
- Social media and contextual language
- Methodologies
- Data analysis method
- Complexities within high technology based SME literature

The shortfalls in the literature that were identified looked at the change in marketing paradigms, marketing in high technology businesses, the complexity of marketing in SMEs, the importance of networks and relationship marketing,

entrepreneurial marketing, entrepreneurs and the change in contemporary marketing methods. These shortfalls were then combined into the conceptual model (Figure 2.4) and then further amended into the 3I's model (Figure 5.1) on completion of the case study research.

However, throughout the study, further areas were identified that would need additional research to further validate the 3I's model. The first area for future research was the psychology of the high-tech entrepreneur, or more general entrepreneurs. A great deal of research has been previously undertaken that looks into the psychological characteristics commonly displayed by an entrepreneur (Carter, 2012). However, it was found that there was no such thing as an "entrepreneurial personality" and there are great variances in the psychological makeup of successful entrepreneurs (Shepherd, 1999; Hisrich *et al.,* 2007; Rauch and Frese, 2007). None the less, there were some reasonably clear characteristics typical of many entrepreneurs: desire for autonomy (Bolton, 1971; Kets de Vries, 1977; Rindova *et al.*, 2009); risk-taking propensity (Quinn, 1980; Carland *et al.,* 1984; Chell *et al.*, 1991); need for achievement (McClelland, 1961); over-optimism; locus of control (Brockhaus, 1982; Carid, 1990; Chell *et al.*, 1991). These characteristics were noted within the case study company, and most were attributed to lack of customer relationships and the tendency to stay 'behind the screen' and away from human interaction. This area needs further research, as it would be illuminating to see if this is a common trait within other entrepreneurs, or if it is an additional characteristic that should be added to the above. To carry out further research in this area, the researcher needs to be able to embed themselves into a business that allows them to get close to the owner-managers, and to study the behaviour of them when it comes to customer relations, sales and complaint handling. This additional research will add to the existing knowledge

As the researcher looks to the future, is it clear that there are other areas that need additional research, and these all relate to the validity of the 3I's model and if it can be used across a more general base. The original model was trialled in a high technology based small business based in South Wales. To further validate the 3I's model, it needs to be trialled in other areas across the

UK and Europe, and even further afield in the USA. It also should be trialled in a number of different organisations, starting with organisations that closely relate to the original case study company, for example, IT hardware manufacturers, other software manufacturers, energy and environment, creative industries and life sciences. Once it has been trialled in similar organisations it can then be used on a more generalist basis within SMEs and then larger enterprises.

Ultimately, it is the hope of the researcher that any additional research will help to further develop the 3I's model and ensure that it is robust enough to be utilised as a practice-based model, but also as an aid to teaching marketing to undergraduates and postgraduates alike to show that marketing is no longer a one-way street, and it is not as simple as the 4P's model from 50-plus years ago. It is hoped that the 3I's model becomes widely used not only within high technology based small businesses across Wales, the UK and further afield, but also within entrepreneurially owner-managed small to medium businesses across the globe.

Appendix 1 - Definitions of marketing terms

Below are a number of definitions of topics which will be referred to throughout the study. These definitions have been highlighted to inform the reader of the stance that the researcher is taking with regard to each topic. Therefore these definitions should be kept in mind at each point of the Thesis.

Marketing

There have been many different definitions of marketing given in research and textbooks in recent times. A number of relevant definitions can be seen below:

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, and services to create exchanges that satisfy individual and organisational objectives (Brassington and Pettitt 2002)*.*

Marketing is 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. (American Marketing Association, 2013).

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably (Chartered Institute of Marketing, 2012).

These definitions highlight a change over time in the way that marketing has been interpreted. The first suggests a strategic and operational approach to marketing, moving on to a mix of strategic, operation and relationship based approach to the most recent definition of marketing that suggests a much more customer orientated approach to marketing, which is in line with the extant literature and how marketing has evolved. However all of the above definitions have been interpreted in terms of the activities that large organisations undertake when doing "marketing". However, no definition of marketing for

small and medium sized enterprises (SMEs) has been readily found in the literature and those attempts at definition or discussion often link marketing with entrepreneurial behaviour (Carson *et al.,* 1995; Reynolds, 2002).   Therefore the definition for marketing that will be used throughout this study is:

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably (Chartered Institute of Marketing, 2012).

Business-to-Consumer

Below are a couple of definitions for business-to-consumer selling:

Relating to the sale of products or services for personal consumption. The buyer may be an individual, family or other group, buying to use the product themselves, or for end use by another individual. (Chartered Institute of Marketing, 2012)

Business to consumer - all kinds of businesses that sell products or provide services to end-user consumers (Pfoertsch and Scheel, 2012)*.*

While business-to-consumer activity exists both online and offline, business to consumer has primarily been used to describe the online variety. Business to consumer businesses played a large role in the rapid development of the commercial Internet in the 1990s. Large sums of venture capital flowed to consumers in the form of free online services and discounted shopping, spurring adoption of the new medium.   Which is why the definition used throughout this study is below. This definition has been chosen to clearly define the difference between business to consumer and business to business at this point.

Business to consumer - all kinds of businesses that sell products or provide services to end-user consumers (Pfoertsch and Scheel 2012)*.*

Business to Business Marketing

Throughout the literature the researcher will talk about business to consumer and business to business marketing in context to the study. The definitions below will highlight what the researcher understands the definition of business to business as.

The sale of a product or service for any use other than personal consumption. The buyer may be a manufacturer, a reseller, a government body, a non-profit-making institution, or any organisation other than an ultimate consumer. (Chartered Institute of Marketing, 2012)

Business to business marketing is the management process responsible for the facilitation of exchange between producers of goods and services and their organisational customers (Brassington and Pettitt 2002)

There has been a significant amount of hype around the attention given to the potential size of business to business markets and how much bigger business to business will be than business to consumer. Despite the potential size, however, some business to business markets may be overcrowded, too. The definition to be used for business to business marketing throughout the research is:

Business to business *marketing is the management process responsible for the facilitation of exchange between producers of goods and services and their organisational customers* (Brassington and Pettitt 2002)

This definition has been chosen by the researcher as is does not take away from the fact that some of the products / services may be used for personal consumption, but as part of the workplace. It is also more specifically talking about business to business marketing rather than just business to business selling.

Consumer-to-Consumer Selling

There have been many different definitions of consumer-to-consumer selling given throughout literature in recent times. For example:

Consumer to consumer involves the facilitated transactions between consumers through some third party (Haag et al., 2006).

Consumer to consumer interaction occurs in a physical encounter in the marketplace as well as in the virtual, IT-mediated encounter in market space (Gummesson 2008).

Consumer to consumer selling has become more popular recently with the advent of the Internet. Companies such as eBay, and other classified/auction-based sites have allowed for greater interaction between consumers, facilitating the *Consumer to consumer* model. Moreover, as it becomes more economical for individuals to network on the Internet via social websites and content created individually, this marketing model has been greatly leveraged by businesses and individuals alike.

Individuals, whether buying for business or themselves, are talking to and listening to other consumers. They are setting the agenda, leading the conversation, sharing their views, recommending the best products and deciding whether brands are successful or not.

No longer are consumers just taking in the information that corporations and brands are giving to them. Now they question and make brands earn their loyalty. Because of social media platforms, like Facebook and Twitter, consumers are now quick to ask brands: What can *you* do for me? Therefore the definition that will be used in this study is:

Consumer to consumer interaction occurs in a physical encounter in the marketplace as well as in the virtual, IT-mediated encounter in market space (Gummesson 2008).

Consumer-to-Business Selling

There is only one definitions of consumer to business given throughout literature in recent times. This can be seen below:

Recent developments add consumer to business as a companion to business to consumer, thus acknowledging consumer originated action toward businesses (Gummesson and Polese 2009)

In consumer to business, the companies typically pay for the product or service. However, it can assume different forms like an idea generated by an individual (like an innovative business practice) that may be used and implemented by an organisation. For example, when a consumer writes reviews, or when a consumer gives a useful idea for new product development, then this individual is creating value to the firm, if the firm adopts the input, which is why the above definition for consumer to business that has been chosen.

Buyer Behaviour

There have been many different definitions of buyer behaviour given throughout literature in recent times. As can be seen below:

The process that buyers go through when deciding whether or not to purchase goods or services. Buying behaviour can be influenced by a variety of external factors and motivations, including marketing activity. (Chartered Institute of Marketing, 2012)

The decision-making processes of buyers in purchasing and using goods and services. Buyers may be either ultimate consumers or agents or dealers who purchase goods for resale to ultimate consumers (Scott, 2010).

Buyer behaviour has to do with determining which specific factors influence the buying habits of the individual. By accurately assessing the decision-making

process of buyers in different situations, it is easier for businesses to identify groups of consumers who are most likely to demonstrate interest in the products produced by those companies. While there are many different concepts of what impacts buyer behaviour, most approaches do make use of a core group of factors.

The definition to be used for buyer behaviour throughout the research is:

The process that buyers go through when deciding whether or not to purchase goods or services. Buying behaviour can be influenced by a variety of external factors and motivations, including marketing activity. (Chartered Institute of Marketing, 2012)

Relationship Marketing

There have been many different definitions of relationship marketing given throughout literature in recent times. A selection of these definitions are:

The understanding, explanation, and management of the on-going collaborative business relationship between suppliers and customers. (Sheth, 1994)

Attempts to involve and integrate customers, suppliers, and other infrastructural partners into a firm's developmental and marketing activities (Sheth and Parvatiyar, 1995)

Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met; and that this is done by a mutual exchange and fulfilment of promises (Grönroos, 1996)

The strategy of establishing a relationship with the customer which continues well beyond the first purchase. (Chartered Institute of Marketing, 2012)

Relationship marketing differentiates itself from the transaction-oriented marketing approach by emphasising the process of maintaining and enhancing on-going relationships with customers as well as identifying and establishing new ones. Therefore the definition to be used for relationship marketing throughout the research is:

Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met; and that this is done by a mutual exchange and fulfilment of promises (Grönroos, 1996)

Where findings of the research suggest otherwise, change to the definition being used will be identified.

Appendix 2 - Whitepaper

Introduction

When we leave home and enter the workplace we do not turn into a different person, we are still the social being that we are in our everyday lives and increasingly this includes internet based communication and social networking. This is changing the way in which the B2B buyer looks for information about products and ultimately buys them. With this change B2B businesses need to make sure that they keep up with these behaviours to ensure that all of their channels are catered to, increasing their routes to market and ultimately increase sales and profits.

Only a few years ago, the online purchase journey was a pretty straight line, customers knew what they wanted; they trusted a few, select web retailers and they bought. "Today's digital landscape is complex. Customer interactions are spanning an increasing array of touch points, with customers often crossing multiple channels." Ronald Rogowski, Forrester.

This influence and behaviour is being transfer from B2C to B2B and the way in which the B2B buyer is changing. This paper is going to look at the emergence of social commerce, and how it affects the new business-to-business (B2B) buyer. It will look at how the behaviour of the B2B buyer has changed to becoming a much more interactive and social being, and this is reflected in the way in which they purchase. In particular this paper is going to look at how B2B businesses could look at ways to integrate with Facebook as an additional channel for their consumers' and the benefits of doing this. Facebook has a number of features that lend themselves towards eCommerce with its Stores, Credits and Company Pages. But can these features help B2B businesses, who sometimes only operate behind password protection leading to websites that are integrated with ERP software? This will be looked at further along in this paper.

What is social commerce?

Social commerce is a development of electronic commerce (eCommerce), which uses social media to assist in the online buying and selling of products and services. Sites such as Facebook and Twitter support social interaction and users' contributions can be used to marry up products and consumers. David Besiel developed the concept of social commerce to denote user-generated advertorial content on eCommerce sites[3] and this was further enhanced by collaborative eCommerce tools that enable shoppers to get advice from trusted individuals, find good and services and then purchase them[11].

Since 2006 social commerce has increased in popularity, recognition and size and by 2015 50% of web sales are expected to be generated via a business' social presence and mobile applications[4]. Social commerce is redefining the way brands and retailers are interacting with customers as it can now drive conversation amongst new, engaged customers by allowing shoppers to discuss and review products. 70% of people trust recommendations from unknown online users[10] and 86% of consumers read online business reviews before making purchasing decisions; 90% of whom say they trust these reviews[7].

With the burgeoning popularity of social commerce, the emergence of fCommerce was only a matter of time. 2011 has been referred to as the year of fCommerce, a phrase which refers to eCommerce on Facebook, for example, selling goods within Facebook itself or drawing Facebook traffic through to your eCommerce site. Already this year 55% of B2B businesses are reported as using social media for lead generation[8].

How is B2B buyer behaviour changing?

B2B buyer behaviour has evolved in adaption to the internet. A new species of B2B buyer has arisen that is more connected, more impatient, more elusive, more impulsive and more informed that its pre-millennium ancestors[12].

B2B buyer behaviour has changed over the last few years and buyers have greater control over the way they research information to support their purchases than ever before as a result of the large amount of data freely available on the internet, whether in the form of opinion, referenced fact or commercial propaganda. As seen in the graph below supplier websites and web searches are clearly the most frequently used sources of information overall. Research by Base One shows that traditional online sources were most commonly utilised in 2011, followed by offline with new online and social media sources used much less frequently overall. However, even though new media is the least used, 4 in 10 decision makers are now incorporating the use of these tools into at least some part of the decision making process.

INFORMATION SOURCES USED AT ANY STAGE OF THE PROCESS

Source	Percentage
Supplier websites	68%
Web searches	65%
Industry press (print)	45%
E-mails from suppliers	40%
Word of mouth	33%
Direct mail	31%
Press advertising	27%
Online events/webinars	21%
Offline events/seminars	18%
Facebook	15%
Blogs	12%
Linked In	12%
Twitter	10%
Other social media	10%

TOTALS
Any traditional onliine	88%
Any offline	74%
Any new online/social media	40%

Traditional online • Offline • New online/social media

Base: All involved in at least one stage of the desicion making process (964)

Base One, 2011[2]

The B2B buying process has changed and so has the B2B buyer. As one of the most serious internet users, the B2B buyer has been transformed through adaptation to the new online environment. The internet has changed the B2B buying process so radically that it's difficult to recollect exactly how the pre-internet B2B buyer used to go about the business of making a purchase. Gone are the days when sales people actively 'sold' to prospects and buyers had to use the phone and directories. Marketers would participate in 'interruption marketing' – doing their best to get in front of prospective customers regardless of the level of intent or qualification. Thanks to the internet, social media and other online major influencers, prospects are spending more time on the web doing independent research, obtaining information from their peers and other 3rd parties.

Social media now plays a key role throughout the entire revenue cycle, beginning before prospects are even identified, to after they become customers. The B2B buying process neither starts nor stops at your website. It is more likely to start at a major search engine, industry portal or social network. If you want your product or service to be considered, it's critical that your content appears wherever the new B2B buyer looks at every point in the decision making process. It is not enough to just write a blog or make a white paper available for download on your website, because your prospects may never find your website if it does not show up in search and on social media.

B2B decision makers are the most active of social networkers and four out of ten used a microblogging site in November 2011, which shows how important social media has become for B2B[6]. According to the GlobalWebIndex report they are also the most engaged users in the world across all marketing and demographics. The research found that 60% of decision makers had used social networks in the past month, compare to just 50% for the average internet user.

The GlobalWebIndex report also found that social media is now the most influential communication channel across the majority of markets, especially for business purchases, even above face-to-face meetings and traditional client

entertaining. Social media also topped trade advertising in most markets. Up to 15% of the global decision makers questioned said that engaging with a company via a social network was their leading influence, closely followed by direct mail at 13%

However is it important to remember that the basic information needs of the B2B buyer for product information, pricing, delivery etc. have not changed, just the way in which they go about sourcing this information has. Capturing the attention of the B2B buyer, or in reality the B2B buying team, becomes even more complicated compared to pre-fcommerce sales and marketing, because it now requires the marketer to focus on all parts of the buying team in different ways, on different media, at different times.

Summary

It is easy to see that all organisations, no matter how big or small; B2C or B2B, should have some sort of presence on Social Media, and if this can be integrated into an already existing website and most specifically an ecommerce site, then it gives a multi-channel reach to the people who need to see the products or services the most, the buyers.

With B2B buyer behaviour constantly evolving and moving closer to the way in which consumers look for information about products and ultimately buys them businesses need to make sure that they keep up with these behaviours to ensure that all of their channels are catered to, increasing their routes to market and ultimately increase sales and profits. Business buyers are becoming much more social and technical beings, and with the rate of technological change not set to slow down in the near future organisations need to keep abreast of these changes, whilst still maintaining an ecommerce site that appeals to buyers whilst being functional and fully integrated.

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Email 1 – After Researcher commented on Customer Service in the Case Study Company - Sent 28/11/2011 – From Business Development Director to Researcher and Customer Relationship Manager:

Taking on board some of your comments recently we want to have a big push in this area, currently there's very much a two tier system, the priority support customers get excellent service and those are typically Jon's accounts (with Garin having a couple coming on stream soon as well) but the payg customers are typically not getting the service we should be providing.

PAYG does not really work, customer want the benefit of not having to pay an annual support fee but subsequently resent paying for the support when we charge them extranet credits and this just creates barriers and bad feeling. As it's the smaller customers on payg they also tend to be the ones with least capability and ability which escalates frustration levels. Longer term I think we need to do away with PAYG support and have the smaller customers paying a proportional annual fee but in order to do that they are going to need to feel like the service is worth paying for so we need to sort things out.

These are some of the ideas I had on the weekend, no particular order :

- Support tickets are dealt with in order they come in rather than in order of developer preference so that all clients are dealt with fairly

- Random spot checks on the quality of responses from our team to ensure they are always courteous, friendly and helpful. Each week we can then maybe highlight the best and worst responses so we can constantly improve the quality of our communications.

- Monitoring of the tickets (Lois / Andrew H) to ensure SLAs are being met and tickets get a quick response to confirm they are being dealt with and in some cases they can actually be dealt with immediately where it is a

quick support request (I have been monitoring tickets the last week and actually dealt with about 15 myself which did not require any development but were just sitting there).

- Identification of potential problem tickets (ones with lots of exclamation marks or where there are lots of responses phases, maybe 10 or more) – we can write something to automatically flag these up for the customer service team to look into and decide an appropriate course of action.

- Call the customer to resolve misunderstandings rather than allow the situation to degrade (e.g. as per the PVR situation where Andrea handled this with a call because the customer was struggling to describe their describe their requirements in the extranet).

I'm sure you are all in agreement that this needs to be addressed so let me know your thoughts and anything else you think would be beneficial to this strategy so we can work out a process around this. We need something that is not going to suck up too much resource as we also need to keep one eye on ensuring that this service is profitable, we can dedicate more resource to the service as we move to getting an annual fee of all customers who I'm sure would be happy to pay it when they feel the service is really good.

Email 2 – Response from Customer Relationship Manager and Researcher – Sent 05/12/2011 – Sent to Managing Director and Business Development Director:

With regard to the e-mail about our Customer Service, we have sat down and had a conversation about ways in which we feel that this could be improved. Having come from Customer Service backgrounds we both feel that the way in which we currently deal with customers – big or small needs to be consistent across the board either via phone, extranet, e-mail etc. – is having a negative impact on how our customers view us and ultimately a growing resentment for paying for our service. We believe the core issue lies with the fact there is no clear structure of how many credits each type of support call requires. Although an 'annual' service fee would alleviate the problem it may not necessarily overcome it, unless of course, the level of service is made absolutely clear.

Looking at your suggestions, having a dedicated Help Desk who would deal with the Extranet and be a point of contact for all customers (except priority ones) would cover several issues (can we have a list of current customers showing what service level they are in so that we know how to handle a customer call quickly please? needs to be created and given out regularly to people who answer the phones. Your points:

- Support tickets are dealt with in order they come in rather than in order of developer preference so that all clients are dealt with fairly

- Random spot checks on the quality of responses from our team to ensure they are always courteous, friendly and helpful. Each week we can then maybe highlight the best and worst responses so we can constantly improve the quality of our communications – if we had a dedicated Help Desk then this would not need to happen so often as they would be aware that they are being monitored.

- Monitoring of the tickets to ensure SLAs are being met and tickets get a quick response to confirm they are being dealt with and in some cases they can actually be dealt with immediately where it is a quick support request (I have been monitoring tickets the last week and actually dealt with about 15 myself which did not require any development but were just sitting there).

In a Help Desk scenario, the SLA's would need to be amended to ensure that customers are made fully aware of what the Help Desk can provide them. These days customers expect to be able to speak to someone if they have a problem. Supporting them by phone and by raising extranet tickets (we need to give them both options so that they do not feel like they are being ring-fenced)

During our discussion about how to drive improvements with regards to customer service, we concluded that these issues exist as a result of more general internal structural business issues. We have witnessed issues resulting from the lack of clear roles and responsibilities, blurry processes, isolated knowledge and an ineffective customer support structure. There is also a sense customer expectations are poorly managed. These things create a sense of instability both internal and externally which then affects moral and adds frustration and complication to the simplest of tasks

We believe these can be alleviated by introducing, in a planned concerted manner, the following:

1. Clearly identify what issues customers experience – (could tie into Juli's Buyer Behaviour Research which she will be undertaking in the New Year will all current clients).

    a. In itself this will give our customers the sense that we are listening to them.

    b. It will give us exact information as to where our shortcoming are (rather than what we think they are).

c. Give us the opportunity to reassure any customers who may feel unsatisfied that we are working on turning it around. This may mean we have to face up to our inadequacies or be straight to a customer whose overstepped what they paid for but the point here is to address any "bad blood" and try turnaround from this feeling of "Netalogue vs Customer"!

2. Create a more efficient support structure. *

a. As described above we strongly recommend the segregation of one or more individuals to perform a helpdesk function, thus freeing remaining individuals to carry out development work. Tickets would be handled by that Help desk team where possible. If not, they would be escalated to the developer that originally coded it.

3. We also feel quite strongly customer expectations need to be outlined from the onset and give ourselves time to think and plan things. The New Project Process needs to start being implemented and be further developed with**:**

a. When we sell a solution the customer picks from an array of existing feature packs. We give them the projected cost using a qualification sheet. (The introduction of a clear price structure would ensure we would do this quickly, fairly and efficiently).

b. The kick off meeting is then carried out at customer premises with a project manager and the developer. In this kick off meeting, *a thorough review of each feature is carried out* so as to leave with an exact understanding of each feature, for instance, if the pricing structure turns out to be not as simple as the customer made out, we would revise price and time-line

with the customer.

c.   Allocated structured training in Extranet and Web-uploader in addition to the usual Admin areas.

*we can give you a structure outline separately.

It sounds like Netalogue is in a currently secure financial situation so why not plan in a "get our house in order" month (or two?) purely devised at planning the future?

And why not ask the rest of the team where they see improvements can be made? In addition to external feedback, it would provide invaluable insight on how Netalogue is operating as a whole. At the same time it would reinforce a sence of team spirit and facilitate the introduction of any possible changes.

Email 3 – Response from Managing Director – Sent 22/12/2011 – Sent to researcher and Customer Relationship Manager:

Documenting my thoughts from our conversation the other day – the following are my considered Top 3 "Pain Points" in the "delivery/aftercare" area of the business.

You will notice I have listed THREE action points against each of the THREE pain points……….so it's hopefully easy to understand what is being requested:

#2 is to be your priority, I will deal personally with #1. and will work with Andrew Hooper to sharpen a strategy for #3.

1.   Custom Work – this has for a long time been identified as a toxic issue which needs to be firmly kept in check – Custom work requests all legitimately originate from either (a) projects which have a higher than healthy proportion of custom features; (b) from additional work requests midway through projects; or (c) from aftercare dev requests. We in essence need stronger/more defined policies and communication techniques to better control and profit from this type work and to ensure it does not cause adverse knock on issues, risks or lost opportunities. We will deal with this in 2012 by:

1.   Charging for "analysing" and "better specifying" dev requests (i.e. those which we consider potentially problematic) is the first thing we will implement.

2.   Sharpening our communication strategy so that our shift in respect to this policy is not portrayed/perceived as a negative…..

3.   Insist on tighter specifications (for example inserting an "Assumptions" section into the dev request form) – this will afford us more protection and reduce instances of differing interpretations/expectations.

2.   Visibility of work / resources

1.   Development Team worksheets are required and these should ideally be created MONDAY and WEDNESDAY; the format of these sheets is important. We must ensure its all on one landscape page. To be clear this is not about micro-managing – more a case of ensuring everyone has an up-to-date picture of what everyone is working on (i.e. in respect to project works and dev requests) and to help us move work around the resource according to individuals workload/progress.

Developer Name (e.g. Scott)

Priority# (e.g. 1)

Project/Task-Name (e.g. Farrow & Ball Tweaks)

Estimated Mins To Complete (e.g. 90 mins)

2.   Management/co-ordination - it is vital for the project co-ordinator to regularly monitor progress against this list (i.e. walking around the office a few times a day and striking off individuals progress). Ultimately I would like to reach a position where management receive an end-of-day update (based on this format) which will enable us to measure progress. In doing this the project co-ordinator needs to be aware of other draws on the developers time (e.g. problem aftercare tickets, tricky programming issues, etc….).

3.   Client communication – it is imperative for us to frequently communicate with the client throughout the development lifecycle to maintain their confidence in progress. Where communication is not daily some form of end of week project roundup communications would be useful – the aim being preventative identification of client "frustrations" or "issues" in relation to "current" projects in progress. These could take the form of an email or a personal call. I suggest Thursday's as being the optimum day to perform these calls so we can apply developer time to urgent issues before the weekend. The "Required Items" list

(the one I put together for Eurosafe which was also introduced to European Electronique) should be distributed to the customer ahead of any development commencing as it's of huge importance in respect to providing a framework to ensuing client communications - for example if there has been little or no progress on their solution during the week then our attention should be focussed on communicating our need to be provided with items off the "Required Items" list.

3.   Optimising aftercare support

1.   Documentation – to me this is vital, I have previously identified approx. 30 areas which we can document - Hoop is halfway through this but it needs to be pushed so we have them all at our disposal by end of Jan 2012. The premise of this is to #ReuseTheRemedy – but in addition to "reduce confusion and eliminate tendencies to administer aftercare arrogance". Once the 30 sheets are complete it will be hoops responsibility to "lookout" for further opportunities to document. In my opinion this is the most obvious thing we can do which are not currently doing to take "preventative" aftercare measures.

2.   Extranet hour – Hoop will be responsible for monitoring everyone's extranet ticket contribution; we maybe need to brainstorm the best way to do this in an optimal sense. It strikes me half the battle is to correctly allocate tickets according to the individuals skills.

3.   Monitoring of incoming tickets (and calls) – it's vital we adopt stricter observation of "first come first serve" basis within the framework of our SLA policies. It is also important for us to be able to view Extranet reports at least twice a week (suggest TUESDAY and THURSDAY). Hoop can maybe also produce a simple spreadsheet containing the names of all the developers. We want to see whose putting the extranet hours in and who is not. We also want to establish trends in the overall aftercare performance. We could make a point of reviewing this once a month.

NB. If this list stretched to FOUR – then No.4 (which I would describe more of a

"opportunity being missed" as opposed to "pain point") would be our better management of developer resource in respect to introducing a more "production line" way of working. This may be best achieved by seconding one member of the team to deal exclusively with tickets, one to work exclusively on "custom work" and others on the factory line (configuring basic ecommerce solutions i.e. using the web config / api's). This may not only improve our production/quality efficiencies but may also enable to ascertain the issues development teams at a third-party licensing partner's company may have….. My belief is if we better control "Custom Work" (see above) that this will also open up opportunities for us to consider implementing more of a "production line" way of developing

Appendix 4 – Example of Tracked Data

	W.E 10/06/2012	W.E. 16/12/2012	W.E. 17/02/2013
Google Analytics - Website			
Visits:	144	285	358
Unique Visitors:	124	244	300
Pageviews:	342	647	661
Pages/Visit:	2.38	2.27	1.85
Avg. Visit Duration (mins):	1.46	01:55	01:41
Bounce Rate:	62.50%	64.21%	65.64
% New Visits:	70.83%	72.98%	74.3
Visits & Drop Off Rates (landing pages):			
B2B Ecommerce	68/54	74/53	58/43
Integration	7/2	8/3	16/8
Case Studies	16/6	84/65	117/94
Contact Us	10/9	11/7	11/4
Youtube			
Views:	444	978	1162
Google Adwords			
Solutions (B2B)			
Clicks	10	26	4
CTR	0.14%	0.21%	0.43%
Impressions	7,298	12,318	939
Cost	£22.58	£40.78	£6.76
Avg. CPC	£2.26	£1.57	£1.69
Punchout			
Clicks	6	5	6
CTR	0.48%	0.31%	0.37%
Impressions	1,259	1,588	1,618
Cost	£7.66	£7.11	£9.29
Avg. CPC	£1.28	£1.42	£1.55
Case Studies			
Clicks	4	35	21
CTR	0.86%	0.68%	0.37%
Impressions	466	5,114	5,631
Cost	£10.83	£33.75	£28.69
Avg. CPC	£2.71	£0.96	£1.37
Software (B2B)			
Clicks	14	6	2
CTR	0.13%	0.57%	0.29%
Impressions	10,852	1,059	681

Cost	£41.57	£10.11	£3.88
Avg. CPC	£2.97	£1.68	£1.94
Platform (B2B)			
Clicks	7	1	1
CTR	1.36%	0.48%	0.28%
Impressions	516	218	363
Cost	£11.89	£1.47	£1.23
Avg. CPC	£1.70	£1.47	£1.23
Office Products Ecommerce			
Clicks	4	2	3
CTR	0.05%	0.52%	0.55%
Impressions	7,888	383	545
Cost	£4.73	£1.57	£3.78
Avg. CPC	£1.18	£0.78	£1.26
Safety-Workwear-Janitorial			
Clicks	0	10	1
CTR	0	0.37%	0.06%
Impressions	0	2,694	1,791
Cost	0	15.28	£1.87
Avg. CPC	0	£1.53	£1.87
Downloads from Website			
Brochure	4	N/A	4
Commercial	0	3	0
Eurosafe	0	1	8
Farrow & Ball	0	3	3
Findel	0	1	4
JSP	0	2	1
Madison		4	4
WOW	30	58	
			50
Email Marketing			
Sent	0	28,873	29,907
Open Rate	0.00%	11.23%	9.50%
Downloads	0	3	41
Clicks (excluding downloads)		60	59
Call List		274	
Overall - Qualified Prospect		49	92
Overall - Qualified Leads		2	16

Appendix 5 – Question Sheet for customer research

Question Sheet:
1. Were you involved in the procurement of your ecommerce?
   a. If Yes – Q2
   b. If No - Q5

2. How did you hear about Netalogue?

3. What were your reasons for using Netalogue?

4. If you were going to go through the buying process again, what would you do differently?

5. How long have you been using ecommerce?
   a. Is this your first platform, or how many different platforms have you used?
   b. Who provided these?

6. Why does your company use ecommerce?
   a. How do you see if affecting you and your industry over the next few years?
   b. Do you think using ecommerce gives you a competitive advantage?
   c. Why?

7. Do you know how much of your sales go through your site

8. How do you find using the extranet for your support services
   a. Other options (PAYG vs. Annual (inc. single point of contact))

9. What are your customer's thoughts about your ecommerce solution?
   a. Do your customers have a favourite feature?
   b. Do you have a favourite feature?

10. Are there any features on your competitor's sites that you think would be useful?

11. Are there any additional features that you think would be useful?
    a. Would you like to hear about additional feature packs that we provide?

12. How would you rate Netalogue?
    a. In terms of their products
    b. In terms of their service

13. How could we improve?

14. Where do you see the greatest benefit coming from – Short, Medium or Long term?

15. Are you able to quantify cost savings or revenue growth to measure the success of your ecommerce site?

16. Do you use Social Media for your marketing purposes?
    a. What are your thoughts about using Social Media for B2B

Appendix 6 – Categories and Full Comments from customer research transcripts

Category	Description
Account Management	account management. That's about it. I would have expected to have had a more proactive communication and approach and more site monitoring – which is a two way thing as well
Account Management	An internal liaison were you can discuss something and then either someone can correct you over the phone, of put a ticket on if you need to.
Account Management	And the key here is what customers, what needs, and what price and if you can answer those 3 simple things, including Netalogue.
Account Management	Andrew shares his knowledge, he shares his ideas, sometimes a bit too technical and he needs to simplify it down at times, but he's always been good.
Account Management	At the moment the relationship is that you are more our support partner, rather than our trusted development partner.
Account Management	at the very beginning you were very good as we had to liase with the customers company in france which you were great at,
Account Management	business is all about relationships
Account Management	He came here once, has not been here since. Seems too busy now, now that we're hooked
Account Management	How can Netalogue help you as a partner to your business help you develop your platform.
Account Management	I think it's well overdue that someone comes and speaks to us every 6 months and advises us, this change so quickly
Account Management	I think that's at time one of the weaknesses of Netalogue, the remote management.
Account Management	I think the personal side of things have gone and to me, whether that's me being old school, but people buy from people, and to have someone completely anonymous is not right.
Account Management	I would expect them to talk about the detail, not just manage the relationship, I do not want someone who is handing off the technical details all the time.
Account Management	I would expect this would be regular – twice a year visit and the agenda would be – site performance, this is what I think could have benefit.
Account Management	I would have been happy to have paid double to do things differently
Account Management	I'd give you another 10K which is ¼ of a person's yearly salary to buy a person for 3 months to work on my project then that would have been money well spent

Account Management	in terms of account management it has not been great
Account Management	It could be a pathetic problem, but no-one understands what I'm talking about 'coz you do not know my account
Account Management	it's a good system, but again an account manager is very useful, someone who you can talk to who understand the work and can explain to you things and pt you in the right direction and then you can decide what to do
Account Management	it's important we speak to some body
Account Management	Perhaps you have a way of switching on additional features that we could use.
Account Management	The key contact is really important especially in our industry with it being so competitive. We need to be able to talk to someone instantly
Account Management	The more communication there is the better; it will result in more sales for you guys
Account Management	the weakness is we have the MD as our account manager, which does not help as these guys would not ring him, they're only relatively junior members of a team, they would not pick up the phone to the MD
Account Management	There has to be an element of trust there
Account Management	There is a slightly deceitful approach!
Account Management	There is not anything else that comes through – saying here are the trends, what are you doing about it…etc
Account Management	We need to up the frequency of visits
Account Management	We want to know what the market is, what the IT drivers are, what the trends are
Account Management	What we are missing is our equivalent to a corporate account manager – someone we can pick up the phone to on a daily basis
Account Management	Would've expected a slightly more thorough approach in terms of 'ok we've done the deal, this is where we've got to now' and as other things become available because of the changing world what would be relevant to Admiral, would this work for Admiral? Where is our site, even if it's every 6 months, it would have been nice to have a chat with someone. Our business has changed since we've had the site we've changed a lot, and I do not feel that Andrew has the real sense of that.
Account Management	Yes, the only reason I knew your site had been updated was because I went onto your site. One of the challenges is Data, and we have open range in place and we are taking on this service, we only knew about this from Andrew.
Account Management	You come in, we've bought into the concept, but do not think Netalogue have bought into ours, it needs to be a 2way

	street. The best partnerships are 2 way
Account Management	you need to be talking directly to a technical person who can work on it with you, and that person in my view needs to be coming here
Account Management	You should be saying 'we've looked at the market, both of us know the market is offline/online and mobile all connecting' so in the future we have to be at that game, so we need a roadmap that gets us there
Benefit	it's got to be long term because everything is in turmoil now because everyone is discounting heavily, and it's got out of proportion
Benefit	Long term
Benefit	Long term - we did not invest for a quick fix, we invests as we're a 30yrs old company, we needed to move with the times, and to do that we needed professional help and support
Benefit	Medium term benefit. It will be all, but it wo not be long before they can pick up more business because of the promise. Whereas before they were not even considered.
Benefit	Probably medium term. Our MD is not convinced that you're the right partner long term.
Benefit	Short and long term. One of the big things that we have to look at next year is our mobile applications; we launched it knowing it was just ticking the boxes
Buying Process	a proper specification of what was required and requested and I ca not find any documentation to support what functionality is in place and how to use that functionality
Buying Process	I think we should have looked a little bit deeper to what the raw product looked like. We got the product and nothing worked, which was a shock
Buying Process	I would really spend time looking at my customers journey, I would look closely at the website and how it would interlink with our back end
Buying Process	I would still pick Netalogue, but I'd be much more specific about wanting to know the exact details of how it all worked
Buying Process	I'd ask more questions about specific things that are important to my site
Buying Process	I'd have looked at competitors more.
Buying Process	It should have been 'here is the platform, if you want particular bolt-ons' that's fine, but there is the development path for the product, that we will support'.
Buying Process	there is something to be said about having someone more local
Buying Process	We ignored the negatives –we were biased with wanting to go with your guys in the first place
Buying Process	We would probably do a lot of more in depth research with existing customers

Competitive Advantage	Absolutely, yes, not so much as times goes on because everyone will do it, but its al about actual costs of doing business, all about transactional cost in business to business.
Competitive Advantage	Definitely at the moment
Competitive Advantage	Definitely, we've won contracts on it using our customer catalogues.
Competitive Advantage	Everyone wants to use our site as an information port, rather than a website, so they can buy, get their risk assessment forms, data sheets, like a hub
Competitive Advantage	It did, but not so much now
Competitive Advantage	It does give us a competitive advantage. We did it right and we did not have that and we have the reputation behind that
Competitive Advantage	It will do when we've got it 100% working
Competitive Advantage	No - In our industry there are thousands on small operators, and some just give the stuff away
Competitive Advantage	No because everyone is doing it. Ours looks nice because so many are still using standard packages from Oscarweb or prolinkweb
Competitive Advantage	Yes defiantly - it's still a relatively small thing
Competitive Advantage	Yes, We have a larger market reach now than ever before
Competitive Advantage	Yes, some of our competitors just have a website, and as I stated earlier we want to do something a little different,
Competitors	A lot are standard website (volusion etc) I think a lot of things are gimmicky in my opinion, so lots of little things that are not necessary
Competitors	campaigns that have products in more than one place
Competitors	I've pointed out a few things that we want on competitor's sites
Competitors	KTS & The Consortium do all of these things and they do them very well. We need to do them better.
Competitors	put videos on
Cost savings	It's been time saving on our front and again, we're able to put their (web guys) resources doing other things, like marketing and growing the business and more of the relations side
Cost savings	No, it's probably costing us more money that we're bringing in, with more costs coming the whole time, from hosting to Google to paying people to do SEO, everybody take their little bit and there's very little left.
Cost savings	We've reduced our cost of taking orders and the amount of orders we have to take back
Cost savings	We've saved a bit of time using SagePay, but that's about it really
Cost savings	We've taken headcount out in the office

Customers Opinions	Do not know, it's very bad is not it, it's a big failing of ours, because we developed the site so we know what does and does not look good.
Customers Opinions	Everyone has said it's easy to use.
Customers Opinions	for the general, they're happy with the new look and the new site, they did raise a lot of issues with the search, I think that was the major gripe
Customers Opinions	I've had some good feedback from some customers
Customers Opinions	most people have been positive, but they were using prolinkweb before so anything would have been better
Customers Opinions	Scheduled orders are another feature they really like
Customers Opinions	Some people ca not find the toner cartridge finder
Customers Opinions	Switch & Save – they love it
Customers Opinions	The new searches have had good feedback.
Customers Opinions	They think the search is too slow and to cumbersome and does not return the products they want.
Features	Back Office - I think possibly there is more training required to get best value. Basic updates are easy, it's when we have something more complex, what we do not do very well are we do not have sections like the special offers on the site that we do not use.
Features	I think the back end, find it easy to use. Comparing it to actinic, it's a lot easier to use, though there are a lot of things that still need work on.
Features	It's difficult to pick one feature, overall very good platform with few negatives
Features	The SEO section, at least you think you're doing something beneficial
Features	The web upload feature is amazing, it makes our lives so much easier, And the reporting.
Features	There's a little thing they like, which is the 'fly to basket'
Features	Think you guys are right out there in front.
Features	We've just introduced a blog section to our site, which I can see us getting great value from, I think that the one thing we're looking to do is put short videos on there as well.
Features	What needs revising is the Admin area – it's too complicated needs to be more intuitive.
Features	Would like to have better database and product image management. Something that is much easier to manage and manipulate.
Improvements	I want Netalogue to get bigger to have more resource and time for us, but not too big that you forget who we are, still want the personalised touch.

Improvements	"have you forgot this", putting key products there, before the check out. Or right at the checkout stage
Improvements	Adding customers - It can be a pain, too many different options
Improvements	Both of us need to be thinking more end to end, there is not a line between platforms
Improvements	Communicate. It does seem to be a generally IT thing. When I get the rep in from our IT Company I say the same things…communicate.
Improvements	I think there are a lot of things that we've pointed out that should have been obvious things (logins and search), search is the most fundamental thing on the website, and some of the request that we're putting through should have already been there
Improvements	I think there is an increasing feeling that the reporting suite are not flexible enough and do not go far enough, for example – if you want to analyse activity by delivery points, you ca not, you can analyse by sub buyer, but not by where stuff goes to.
Improvements	I wish you told us your developments and dragged us along with you
Improvements	if there was somewhere on the site a CMS where you see the products, if you make any changes you can click upload and it sends it out individually or on mass that would be good
Improvements	Linking into 3rd Party website front ends would be great (if they log in via our site without additional log ins) – seamless log in would be nice
Improvements	One click orders, automatic product ordering
Improvements	our business has evolved and changed, and for you to understand those changes would have been helpful for you, and every 3 - 6months to have a visit and find out what is going on, you might be able to put ideas to us to help out site.
Improvements	Personal Service
Improvements	Reporting Suite
Improvements	reporting, being able to pull out data from what customers bought from us, frequencies, not just top 50 ones.
Improvements	Right now the website is in decline year on year, it's been live since November. There is some real sort of issues
Improvements	So you do the punchout for us, and charge us, and then have to charge us another 7.5k for the telesales, and I think that's a rip off
Improvements	Some things do not seem logical in the way they're names and the way they worked. Things like, promotions is a good example I've done recently. The option is 'allow promotion use with other promotion's' so I've ticked yes, but it does not allow use with all other promotions, only with certain other promotions and there is nothing to tell you that.
Improvements	Talking to a real person.
Improvements	The back office system of getting a customer and trying to keep them as a customer (email and tracking)

Improvements	the e-marketing admin bit is still not working for us correctly, we were sort of under the understanding that we'd be able to get rich customer data, drill it down, get all of the people who ordered 'x' and be able to market to them
Improvements	The key contact is really important especially in our industry with it being so competitive. We need to be able to talk to someone instantly.
Improvements	the MD thought it was over sold compared to what you provided for us. Our expectations were not met.
Improvements	The past functionality is not considered when new functionality is built in.
Improvements	The search box is so rubbish I want people to be able to find things. People go to the search box and then move away
Improvements	The search report seems to flag up a search for each item on the 'scrolling banner' as well as everything else
Improvements	The uploader is good, but needs to be built as part of the website,
Improvements	there has been very little in terms of product and website development.
Improvements	There is a great time to great a chunk of the market to grab if you have a 'prolinkweb' platform, that does everything that prolinkweb does and looks better and does more as well
Improvements	There's a slight tendency to over commit
Improvements	Want a quarterly review with someone knocking on our door and telling us what our site is doing and how we can improve it, and what developments are happening in house that would be relevant to us and our industry
Improvements	We gave you a requirements list and asked if you could do stuff, and you said yes to everything – but when it came down to it, it was yes we can but it's a different process, so we've have to change our own internal processes to get things to fit.
Improvements	We have to plan together, work together and get better and delivering on time
Improvements	We want to be able to know what they see, what do they touch, what do they look at
Improvements	We want to know what our roadmap is for our Ecommerce
Improvements	What I think would be useful for customers in the future would be great documents for testing of the system, along with a development spread sheet to have a test plan document.
Improvements	when we were sold this, we were told that we could do what we wanted with the system, but when we ask now its …'well….that's a change to core functionality..we ca not really do that'
Improvements	when you talk punchout or integration, it's all done at arm's length, I think it is in the interests of Netalogue really to get into that, not necessarily to be doing it, but to get much more proactive in making sure that the process, there is absolutely no point in buying a Netalogue platform if it's not integrated
Improvements	Would like to have live chat with the extranet

Industry	because of the way the market place is, its stock drive – if it's not on the shelf - you ca not provide it there and then, like helmets that are needed next day
Industry	I think there is a push to drive everyone online and it will get to a tipping point and customers will realise the supplier is gaining the benefits of the sale of getting people online, but that could possibly be at the cost of good service.
Industry	It is a must have for anyone in the industry now. Its crucial – its been proven, we've won business off the back of our offering
Industry	it might even go through different multi channels like social, mobile, fcommerce
Industry	It needs to be an industry standard, if you do not have it, it will devalue for your business. I think businesses would suffer without.
Industry	It's an industry standard, all competitors have it
Industry	It's facilitating customers and bigger clients that like being able to use it, especially the punchout side of things, which just helps them immensely
Industry	it's going to draw a lot more from the high street, I think more customers are going to be focussing just online
Industry	It's probably at a point where the big companies are just transferring their retail customer
Industry	It's what customers want to see –they want to see how we can help them save money
Industry	local business that we're getting even through the web
Industry	Our site is 3yrs out of date, we're behind the curve with the trend of offline/online/mobile.
Industry	Our website is not amazon; to us it's a tool to help our contracts with customers. All the pricing is pre-negotiated.
Industry	What we hear about the market is that there is not going to be a mass migration over to shopping over the web, but with e-procurement and other flavours where the web is a component there is huge potential
Keywords searched	Punchout catalogues and B2B business
Length of time	10yrs
Length of time	10yrs
Length of time	10yrs
Length of time	10yrs
Length of time	10yrs
Length of time	11yrs
Length of time	2 months
Length of time	3yrs
Length of time	4yrs
Length of time	5-10yrs
Length of time	5yrs
Length of time	6 - 8yrs

Length of time	6yrs
Previous	3 different - actinic, intellisoft?
Previous	Actinic
Previous	Ocsanet
Previous	Prolink Web
Previous	Seascape
Product	11/10
Product	5/10
Product	5/10
Product	5/10
Product	6/10
Product	7/10
Product	8.5/10
Product	8/10
Product	8/10
Product	8/10
Product	Do not get any communication from you saying that we've developed this and what would you like to take or not take
Product	I think the product is brilliant, it's potentially great
Product	I thought we were buying a standard platform from Netalogue that we had done some bespoke tailoring specifically for our industry and our company
product	Its search is slow; its merchandise is non-existent
Product	One of the flaws in the site is that it's too flexible. I can ask you to do something and you'll do it whether it's the right thing or not.
Product	pretty good, always sorted everything, so all fine
product	the drive is always to have out of the box functionality, because the more you deviate the more difficult it is to get it back on track when you update it.
Product	The other thing is you're not great at putting stuff live. For example the last go live we were still plugged into our back end system for a few days, and this has happened a few times.
PRoduct	The site is robust and it works, the hosting works, the platform itself is excellent
Product	There is no enriching of the platform. It feels like what we've got has been completely written for us.
Product	6/10
Product	7/10
Product	7/10
Product	9/10
Product	We have to make the errors and then find out all the different solutions.
Reasons for Ecommerce	an industry thing
Reasons for Ecommerce	Client requirement

Reasons for Ecommerce	I do not think we'd survive without ecommerce. You have to have it.
Reasons for Ecommerce	I hate being a salesman; I hate banging on peoples door, I just detest it.
Reasons for Ecommerce	I think increasing they were aware that the B2B trading environment would go to electronic trading, online, because of its process efficiencies.
Reasons for Ecommerce	I think our business lends itself to ecommerce, every house, every commercial premises, every factory has a requirement for what we sell. And so therefore I think we have a global audience
Reasons for Ecommerce	I think some people, especially if you're old school are threatened by ecommerce, especially if you're a sale person
Reasons for Ecommerce	If we did not we'd be out of business. Everyone is doing it in the industry
Reasons for Ecommerce	it has to be more and more integrated into how you work and I do not know how businesses operate without it.
Reasons for Ecommerce	It was customer led, it was the best thing I've ever done
Reasons for Ecommerce	It's an industry thing, its growing market.
Reasons for Ecommerce	It's just seems that everybody does it, everyone expects you to have a website. It's good and bad, but it's one of those things.
Reasons for Ecommerce	It's not just a drive people to the website proposition, it's a broader set of business processes and we've gotta to get to the position where we know we've got a robust product, and we know how to deploy it
Reasons for Ecommerce	Its client driven
Reasons for Ecommerce	Mostly its customer driven
Reasons for Ecommerce	No offline presence…online only. Offline was too costly. I'm a stockless dealer.
Reasons for Ecommerce	Reduced cost, we use a vast amount of suppliers and to create a bespoke catalogue is expensive, but we can put everything online, it's all much more searchable, better than to have a member of staff to take a call..more so now
Reasons for Ecommerce	The customer demands it
Reasons for Ecommerce	We are fairly innovative in our industry. We were at the forefront, but now its standard. We have to offer. Our challenge is now to offer the best platform.
Reasons for Ecommerce	when I set the business up in 2000, it was always going to be about the online bit for me
Reasons for Ecommerce	You've got no choice, you would not survive without it
Reasons for Netalogue	Everyone was Oscanet, and Google does not like everyone having the same pages, it was not very flexible

Reasons for Netalogue	good response over the phone
Reasons for Netalogue	I guess ultimately it came down to the selling job that Andrew did when he came down to see us
Reasons for Netalogue	It looked like it was exactly what we wanted to do already done, why go to the trouble of building a ground up one.
Reasons for Netalogue	It was between yourselves and evolution, and we wanted some specific changes and they said 'no' and that's why you won the business
Reasons for Netalogue	It was your experience in our industry
Reasons for Netalogue	it's the confidence in the company. Seemed a logical choice.
Reasons for Netalogue	my boss had a lot of experience with Netalogue and he liked that you were local
Reasons for Netalogue	Netalogue and Evolution were the two choices apart from opnet, which were specific to stationary
Reasons for Netalogue	Netalogue had a long standing relationship with the company
Reasons for Netalogue	Netalogue seemed so much more in tune with what I wanted to do, looked more professional, any questions I had answers to, responses were very good.
Reasons for Netalogue	Not my area of expertise so wanted someone who knew that they were talking about.
Reasons for Netalogue	Old date, out of fashion and clunky…it was all frames but you could not change much (logo and colour of text).
Reasons for Netalogue	People that I trusted used you
Reasons for Netalogue	Platform became unstable, and the wholesalers were not eCommerce specialists. So had to move and wanted to do something different to competitors.
Reasons for Netalogue	profile of your customers that we could get from your website gave us an indication of the types of customer you were dealing with – the case studies etc.
Reasons for Netalogue	realistically, the price at the outset was excellent, and the amount of service and the way I was treated in the early days was beyond my wildest dreams
Reasons for Netalogue	Recommendation from Open Range.
Reasons for Netalogue	Rigorous criteria, was not just about the platform and its capabilities.
Reasons for Netalogue	Second Choice - communication breakdown with first choice. However should have trusted my gut feeling
Reasons for Netalogue	The look of the website, the professionalism of the site that worked.
Reasons for Netalogue	The only other provider I'd heard of was evolution. I do not know why but I just did not warm to them
Reasons for Netalogue	The thing about Netalogue, there is nothing they ca not do, so it's a great thing, if you're prepared to pay for them

Reasons for Netalogue	There was a review process that was required because there was a product that they were using that was not working
Reasons for Netalogue	There's not that may players int eh office products market and there was a desire to focus on office product specially
Reasons for Netalogue	We did but it was very very basic, so in terms of yourselves I'd say you were the first
Reasons for Netalogue	we ticked the basic boxes as far as the product was concerned. It was Andrew's confidence
Reasons for Netalogue	We wanted a platform that all of our services could link in to and our customers would have a one stop shop.
Reasons for Netalogue	We wanted to grow as a business and our partner needed to cope with that growth. We're a do it now company and needed someone to be innovative with us.
Reasons for Netalogue	we wanted to streamline a lot of things, hook up into parcel force, hook up into sage pay, we wanted to be able to have a good CRM at the back end, we want to be able to email our customers and really drill down into what they are order, and just have a lot more streamline
Reasons for Netalogue	We were looking for someone with experience in our industry but not exclusive to our industry.
Reasons for Netalogue	when I discussed with that they can do, thought it was great and brilliant. Every question I asked they had an answer for, and said yes
Reasons for Netalogue	You specialised in the stationery industry, which was a good start, not sure it would have made any difference at all
Sales	20%
Sales	40%
Sales	50%
Sales	71%
Sales	100%
Sales	100%
Sales	40-45%
Sales	80% - £30mil
Sales	96% customers leave the site, only 3% who visit the site order.
Sales	Less than 5% - Speaking to Mktg Agency
Sales	Only 3.5% of our sales currently go online
Sales	Very low at the mo., but want to get it to 20%
Sales Force	12 - just does account reviews
Sales Force	17 - KAMs, Customer Service and Business Dev mgrs tested yearly
Sales Force	4 Account Managers - desk based
Sales Force	6 - Do not promote, Are not bought into the website
Sales Force	Paper Orders, Telephone
Sales Force	the guys are not actively promoting it, they have not' got the confidence to go out and ask our customers about it
Sales Force	they tell people about it, I would say they need more information, it's just a case of me trying to educate them about what we can offer,

Sales Force	We'll never get rid of a sales force. People buy from people.
Sales Force	Yes
Search	'Ask Jeeves'
Search	a design agency who did some desk research
Search	an independent designer and he worked with Monkey Office
Search	B2B Ecommerce Solutions
Search	Direct Mail
Search	ecommerce office products
Search	Google
Search	Google
Service	2/10
Service	3/10
Service	4/10
Service	4/10
Service	4/10
Service	5/10
Service	5/10
Service	6/10
Service	6/10
Service	7/10
Service	7/10
Service	7/10
Service	8/10
Service	customer service guys should find out more about the industries they deal with.
Service	Do not feel like you want to answer anything – affected us a lot in the last year
Service	Every little thing that we try to do, once you've fixed one thing, 2 other things would break.
Service	their attitude is disgraceful, if I was a moron, I could understand the way they are
Social	60% of our orders coming through the website are B2B, but I do not think social media works as well. It does with building the brand and the trust
Social	Have all of them. I'm struggling to know how twitter delivers any benefit.
Social	I hate it, we have a Facebook page, but it gets updated fairly often
Social	I think for our specialist brands, not for our commodity. Our customers just want us to be boring; they want to know that they'll get what they ordered, when they want it, and how much they want it for. We need to increase our reputation.
Social	It's a must have, its free, and it's if you keep on seeing what people are talking about, and keep targeting those people
Social	It's great 'coz it's free. I use them all
Social	Its murky from B2C and B2B….i just want to make noise about my business, build up traffic and build up a community.

Social	The way I see it its better if we do not have it, but we do have it and it does not always add value, we update it but we're not investing heavily into it
Social	Twitter must have some use if you're a big brand..for us…who's going to follow us on the price of pencils?
Social	Very important part of the mix, do not use it at the moment, not a lot of businesses really do.
Social	We've looked at a buyer forum so buyers speak to buyers and see what their issues or ideas are.
Social	Yeah, I think that it's no different to any other environment, and any other social network, and I think that the sooner people realise B2B is the same people doing that when they drive home at night.
Support	a lot of the time I do feel fobbed off
Support	Dreading doing anything drastic.
Support	finds the answers patronising, very slow responses, sometimes does not cover what I've asked
Support	first took this out, I do not think this is how we did the support, we just emailed JF
Support	I do not mind raising support tickets, but I get annoyed the response is slow, I have to chase.
Support	I do not think you're looking at our tickets
Support	I feel a bit weird that it's going to millions of people, a pool of IT geeks, and do not know who I'm talking to all the time, it's all anonymous.
Support	I found the tickets very hard to start with, I like to make a phone call and ask how to deal with something., the problem with the tickets I might put something into writing and maybe put it in the wrong way, the reply is wrong, I reply back – can be very drawn out.
Support	I found with a single person because they're dealing with you and your project and having 1 person deal with an issue gives them the history and issues with your site and it makes everything a lot easier that way.
Support	I had noticed with a lot of our suppliers they are all moving to the extranet system whereas before you were able to pick up the phone and speak to someone.
Support	I know we've had specific contact with Craig in the past and with someone else, but now we're not allowed to speak to these people, but when we do it's very off hand approach, and find that extremely disappointing.
Support	I like using the extranet as we have a record of what is happening
Support	I think it's a good idea, having it all central and you can refer back to things
Support	I think there needs to be a customer service point, where you can elevate something, or sometimes it is not a ticket – should keep the tickets, but what happens here is someone sends and email and someone converts it to a ticket.

Support	I think we're still debugging in laces, so do not think it's support, thinks it's an element of you raise a ticket, some communication bounced back, and all of a sudden its complete and we never quiet no why, because someone has found a bug somewhere and had mended it.
Support	I'd rather have someone to talk through the problems. The amount of time taken to write everything down doubles.
Support	I'm not particularly happy with the level of service
Support	I've found them frustrating in the length of time they take
Support	I've had a chat with a couple of guys about raising tickets, and they're very disappointed with the responses times
Support	If a customer comes to me with a problem, I own it till it's fixed. You do not have that focus
Support	if you're talking to someone you can explain and then clarify if needed.
Support	Inconsistency in turnaround of tickets. People misunderstand what it is we're asking for is.
Support	IT people hide themselves behind email
Support	it's good for reporting bugs, some helpdesk requests, so the general things.Where is not so good is when we are working with development projects,
Support	It's good if someone dealt with it quickly
Support	It's hard with text with not being able to speak to someone you ca not tell the tone, so generally I find people thing they're saying it in the worse way
Support	it's put a response time damper, and rather than speaking to someone face to face.
Support	Not everyone has the same level of ability. On the form I had to answer I could not answer most of the questions as they were too technical.
Support	Not good, do not like it at all
Support	not heard him moaning about it as a system, but heard him moaning about the responses
Support	Over the last couple of weeks I have had to get some information and have found it increasingly poor now
Support	Responses - They are dismissive, we're asking specific questions of IT specialists and we often get blinded by science. A little bit too technical
Support	Seemed overnight that it changed, and someone I did not know took over and they did not even know how the site worked
Support	Sometimes it easy just to say 'look in there and you'll see' so if there was an opportunity to have a combination (of phone and tickets) I would find it powerful.
Support	Sometimes we do not get timely responses, sometimes we get a "oh we've fixed it now", tends to be lack of detail
Support	Sometimes we'll log a call and get reply in 10mins, other times, 2 weeks later nothing has happened
Support	The extranet does not facilitate helpdesk requests properly.

	When classifying bugs it needs to match up with the SLA agreements.
Support	The members think it is not, I think its first class. The issue is that some of the support team put their name on it, some do not, and the view of the membership is they would like all of the support people to always say who they are.
Support	The process works, having an intranet works because I can record the details and there is traceability, if you could just manage expectations that would be great.
Support	the support overall is incredibly frustrating
Support	there is no 'header' on the extranet tickets to be able to find if it's been dealt with before
Support	There is not a level of trust from the extranet that it goes in, but we do not always get anything back, and we do not always get it back within the agreed SLA's
Support	There needs to be a development of the extranet for developments to show what stage it is at
Support	Tickets are not too bad as they can refer back to our notes.
Support	understand from a commercial point of view about petty phone calls, but I think for me it's been a big downfall for them, I think what I enjoyed Netalogue was about was Personal approach
Support	very easy to see where it's gone and if we shared all of our tickets we'd probably be able to eliminate most of the problems we've had
Support	We have been difficult to deal with, and we have had generally good service, but sometimes it is just sloppy.
Support	we have to explain to your how our site works
Support	What we do, we can mostly do over the phone and through the extranet, always nice to talk to somebody though, especially when it's a big project.
Support	When we chase it, sometimes someone will deal with the call, sometimes we'll get told someone is on holiday. It's not acceptable; if we treated our customers like this we would not have any customers left
Support	You do not like talking, you like typing. I'm happy to type as long as someone types back.
Support	you have to push to get anything. Sometimes you feel like you're being a nuisance, sometimes you want something done quickly if you put a ticket on, it's like its swallowed up.
Training	a day 1 workshop.
Training	I wish I'd done some sort of course to know about the technical bits, if there was some training or something available
Training	A workshop with everyone with a laptop, with workbooks, dummy data would be great
Training	An instruction book would be great. Got the little sheets on how to, but because you're modular, it gets difficult to release everything

Training	Definitely would love it…it's all the jargon
Training	Did not get any, every time we made a mistake we got told lots of different things, and have to go through trial and error and make mistakes and correct them
Training	I do not feel that training was something that was offered, and I think it was part of the proposal and once it was done there was no offer of refresher training, no offer of additional training – what's the staff turnover of our businesses? – you do not know, Alison might not be here anymore but if she was not that's the account management.
Training	I should have been asked what my level of competence was
Training	I think Andrew came and did an hour and a bit of training with Alison who looks after some of our IT stuff upstairs and that was it.
Training	I think if we had more of an internal training with a user guide, I could have had 3 or 4 people being trained at the same time
Training	I think there should be a training course at the beginning. There was but it was not a training course, it was a sales pitch
Training	if they'd said to me this is what you need to do, and it's an extra £500 or something I would have gone for it
Training	if you had a booklet of how to do everything and just showed which were each customers section, from a sales point of view it would be great. The specification document is so big; this would break it down better
Training	In the simple mind of our customers, someone has got to say do it this way, here's a simple guide to fill that spread sheet in, basically if you can fill it in for a product. You're training was poor, virtually non-existent. I am absolutely astonished. I ca not believe that an organisation with clients that they have does not have a rigorous training school.
Training	it comes down to learning styles, I hate watching and taking notes, for me,
Training	It could be an income stream, and people are so baffled and confused by what this is, and because they've got nowhere to go to get the answers, and they can only solve little tasks with these using the little tickets
Training	It would be wrong to say no, but it was very basic, and if you ask any of them beyond what they know there is nothing
Training	it's been out of date for a long time. Some of the stuff that's been changed on there was changed almost before the project started
Training	Language used is difficult – speaking to ecommerce experts there is a gulf of language barrier, it's too technical
Training	Maybe they would benefit from a small training session to go out and have an app to direct the customers to the website
Training	Most of the question I send would have gone if I'd have had training

Training	Need an online guide / user manual for each section and each bit of functionality. The amount we do not know how to use because there is no record.
Training	No – very very hard to get that. Would have benefited massively
Training	None, I think someone who is a start up its been reasonably frustrating because I was not given any guidelines/information/manuals etc
Training	Only recently we did friendly URLs, I did not know we needed to do this, people who moved on got better results, the SEO certainly will help tremendously.
Training	Should be an online resource that anyone can get to at any point
Training	That might have been partly our fault because we said we did not want to get involved, I think it would have been useful most probably, because where I am now I could have had more of an idea of what I can and ca not do.
Training	The amount we do not know how to use because there is no record because no one knows how to use it.
Training	the training session we had when we first came up, was ok
Training	There are things that are documents which are then stored the wiki, which no - one knows how to get into
Training	There is quite a bit of criticism that there is not really anything written down
Training	Training would help; some form of resource would help. Every time we ask a question it becomes a support question
Training	We have some form of guide but it's' not that good
Training	We have not had a fully functioning site, with fully functioning training.
Training	Who is training needs to be done on day 1. I think it would reduce tickets before going live by 75%.

Appendix 7 – Overview of observations taken from ethnographic journal

Research results (raw data)	Supports / discredits research question aspect	Supports/discredits literature conclusions	Notes
Exhibition Attendance - B2B Software	Intelligence	Networks	This does not really back up the question or literature but it does look at how they are starting to let go.
Relationship email mtkg	Intelligence	Relationship Marketing	Emails started to be sent to look for mkt Intelligence but also to build relationships rather than just constantly trying to sell.
Contextual Language	Intelligence, Innovation	Entrepreneurial Marketing, SME Marketing	mkt Intelligence research showed the need for different language to be used in different contexts, and the researcher was allowed to use different languages when it had been proven that it was needed, but not before.
Analytics	Intelligence, Innovation	SME Marketing, Hi-Tech Marketing,	Need to track Marketing activities to be able to track changes, improvements, etc.
Customer research	Intelligence, Interfacing	Psychology of Entrepreneur, Networking, Relationship Marketing, SME Marketing	The difficulties that I had trying to get access to the customers was long winded and even when access was granted it was still very restricted in the sense of who I was and was not allowed to contact. Allowed contact after the new

			strategy had been created by new NED. Big part of research...talk about a lot
Exhibition Attendance - Sector Specific	Intelligence, Interfacing, Innovation	Networking, Relationship Marketing, SME Marketing	These exhibitors were to seek out mkt Intelligence, to discover where the tribes met, and what language they used - talk about research carried out
Press Releases	Innovation, Intelligence	Marketing, Networking	Shows how something so simple as a press release can help share prices, and increase awareness of the business.
Website refresh	Innovation, Intelligence	business to business Buyer Behaviour, Contemporary Marketing	Website had to be re-done twice. First time by MD, second time by researcher. Analytics show improvement second time round.
Lead nurturing	Innovation, Intelligence	Contemporary Marketing, relationship Marketing	The sooner a relationship can be built with a customer the better, and by nurturing the leads this is possible.
CRM System & database	Innovation, Intelligence	Networking Literature	The only issue with the database was the fact that it was 'purchased' not organically grown. All previous sales inquiries were never saved or stored anywhere. Had to start from scratch with building relationships.
Contemporary Marketing techniques	Innovation	Contemporary Marketing,	All of the Marketing techniques that were implemented were done so from

newsletter	Innovation	Relationship Marketing	previous professional knowledge as well as through reading literature. What does the literature say about what techniques should be used for hi-tech SMEs? All the Marketing techniques have been about creating awareness.
Email Marketing	Innovation	business to business Marketing	
Social media Marketing	Innovation	business to business Buyer Behaviour	
White paper	Innovation	business to business Buyer Behaviour	
river of knowledge concept	Innovation	business to business Buyer Behaviour	
corporate video	Innovation	Contemporary Marketing	
Business cards	Innovation	Contemporary Marketing	Something to simple as changing the business card design and opting for something innovative as the QR codes.
Email Marketing system	Innovation	Contemporary Marketing, Relationship Marketing	new system enabled new analysis techniques, more individual emails etc.
Customer Service & Appointme nt of CSM	Interfacing	Relationship Marketing, SME Marketing	Human interfacing is rare in high tech SMEs, and when it does happen it is rarely pleasant
Lead Follow-ups	Interfacing	Networking, Relationship Marketing, SME Marketing	Directors expecting incoming calls, not to have to make phone calls to prospects themselves.
TeleMarket ing	Interfacing	Networks, Relationship Marketing	Even after being in the business for over a year the directors were still reluctant to
Managing Director Locust of control	Interfacing	Psychology of entrepreneur & founders disease	The MD was very reluctant to let go of Marketing tasks, but also reluctant to let go of all tasks (design, sales, accounts etc.)

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