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HOW FAMILY AND NON-FAMILY FIRMS INTEGRATE ENTREPRENEURIAL
ACTIVITIES BY ADOPTING EWOM MARKETING AS AN EXAMPLE OF
INNOVATION

Bachelor Thesis

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I have written this Research paper independently. Any ideas or data taken from other authors or other sources have been fully referenced.

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Introduction

The business environment continues to face challenges as globalization effects increase. The most significant issues include competition, availability of alternatives due to advanced technology, and changes in consumer tastes, impacting how firms do business. These issues are crucial to note since they affect entrepreneurs, especially in small and medium-size enterprises producing, designing, and marketing goods and services for profit (Franco & Haase, 2013). In a report by Global Entrepreneurship Monitor (2020), many entrepreneurs in the world need innovation to counter the availability of good opportunities and ease of starting businesses. Therefore, entrepreneurs understand that innovative processes are more critical now because of various business challenges such as competition, substitutes, and supplier/buyer power. Innovation differentiates firms since it avails the competitive advantage depending on what type of innovation the firm initiates. Since innovation is unique to each firm, entrepreneurs design strategies that align with each firm's business model. For example, Zahra, Hayton, and Salvato (2004) found that family firms tend to adopt less flexible and conservative corporate cultures. For that reason, Calabrò et al. insisted that this conservativeness can potentially inhibit their predisposition towards open innovation (2019, p. 346). Equally, Kodama (2017) noted that non-family firms and mainly those in manufacturing might fail to innovate because of the uncertainty of product, market, or technological sources discontinuity. These studies illustrate a divergence between family firms and non-family firms (Tang, Park, Agarwal, and Liu, 2020). Innovation in marketing is an example of how modern firms achieve a competitive advantage, and family firms and non-family firms may choose different marketing innovation strategies.

Word of Mouth marketing (eWOM) is an innovative marketing strategy where the firm allows consumers to engage online about the brand without the active engagement of the brand. Thus, consumers act as brand ambassadors. Family and non-family firms have diverse characteristics that would impact the implementation of eWOM marketing. The need to evaluate this research is immediate as eWOM marketing is still underexplored and there are not many studies about it, despite firms' proliferation of social media marketing.

Therefore, this research aims at how family and non-family firms initiate eWOM marketing activities as a type of innovation. The following research tasks will help explore innovation and eWOM marketing within family and non-family firms:

- To explore varieties of innovation by entrepreneurs as the main source of competitive advantage leading to selecting diverse types of innovation.

- To assess family and non-family firm attributes such as human, social, and marketing capital that can explain how either variety innovates and integrates marketing strategies.
- To investigate how family and non-family firms adopt eWOM (consumer-to-consumer) marketing as an entrepreneurial activity due to the attributes considered.

This research includes two main chapters one theoretical, and the other empirical. The first chapter aims to assess innovation as an entrepreneurial activity and the family and non-family attributes under empirical analysis. The first chapter thus creates characteristic definitions for family and non-family firms and entrepreneurial activity of family and non-family firms, innovation, and marketing strategies under word of mouth (eWOM). The second chapter is an empirical study through inductive coding analysis to evaluate innovative marketing practices among six family and non-family firms in Estonia. The inductive coding analysis will compare social media adoption within consumer-to-consumer narratives in family and non-family firms. The qualitative study evaluates firms in Estonia as the country is one of the few governments using an effective e-government structure which implies effective internet use among businesses. The study fills an important gap in research, that is establishing how entrepreneurial family firms and non-family firms initiate innovation and whether innovation practices can explain how they initiate social media marketing and ultimately eWOM strategies. Thus, this research will be critical for practitioners as it will inform on needed marketing strategies that can enhance competitiveness.

Keywords: eWOM, entrepreneurship, innovation, marketing, competitiveness, non-family firms, family firms.

1. Theoretical Background of Innovative Behavior in Family and Non-Family Entrepreneurial Activities

1.1. Entrepreneurial Family and Non-Family Activities in Marketing

Research by different authors either explicitly associate or fail to link innovation and entrepreneurship even though both concepts have been widely discussed for decades (Zhao, 2005). Equally, Drucker (2014) did note that to gain innovation in strong entrepreneurial skills is vital. Hence, the study uses the resource-based view (RBV) theory, positing that entrepreneurs use various tangible and intangible resources to attain competitiveness. Thus, this research relies on the RBV approach to explain that the aim of innovation is to attain profit regardless of the type of innovation such as product, service, process, and technological innovation. The RBV approach is essential since entrepreneurs explain that firms use

resources available to create competitiveness. A study to assess entrepreneurs' role by Singh and Bhowmick (2015) found that entrepreneurs are vital in adopting innovation as entrepreneurs have the knowledge and skills to use resources, especially human capital, to reconfigure innovation.

Block, Fisch, and Van Praag (2017) analyzed entrepreneurs' behaviors to create innovation. These behaviors were the result of other empirical studies. The study found that entrepreneurs obtain resources and thus set up innovation to access other fiscal and human resources to create better-performing organizations. The study thus posits that using innovative means to address customers such as through idealized influence (social media influencers, celebrities) could significantly impact products and enhance referral through word of mouth, which leads to buyer intention to acquire a firm's products. Entrepreneurs are essential for the creation of marketing activities because they find creative solutions to organizational problems. The concept of entrepreneurship in marketing is also aimed at finding the most profitable means of creating profitability and competitiveness. All firms are different and have unique capabilities across resources available, assets such as IT, but entrepreneurs can help maximize available resources to create competitive abilities. For that reason, this research highlights that entrepreneurs identify the best marketing strategies such as eWOM marketing and people who can facilitate the approach successfully to create a competitive advantage. It is critical to note that entrepreneurs' primary challenge is to compete against companies with more extensive resources. The idea of competing against more successful firms is the ability to turn weaknesses into strengths, which they can do by finding innovative activities. For example, startup firms are more flexible and unconventional and adopt new methods easier than larger companies.

Marketing is an example of an ever-changing process, and businesses need innovation and creativity from entrepreneurs to provide a competitive advantage. Ireland and Webb (2007) found that companies that have strategic entrepreneurship balance exploration with the exploitation of resources and, as such, create continuous streams of innovation that lead to competitive advantage. Innovation thus arises within strategic entrepreneurship because it creates newness, units, and developing organizational renewal or opportunity-seeking actions that lead to the development of competitive advantage. Based on Maritz and Donovan's (2015, p. 74), quoted by Crossan and Apaydin (2010) that innovation within entrepreneurship "relates to the development, adoption, and exploitation of value-added activities in economic and social areas; a key factor for competitiveness and growth.". Thus, entrepreneurs are

needed in the innovation activity since they push new products through creativity and use new production methods to enhance innovation. Thus, entrepreneurship is critical in innovation processes since entrepreneurs initiate and execute innovation and profit opportunities.

Entrepreneurship in marketing is evident in modern firms today, firstly, such as IKEA. In 2013, IKEA developed a marketing strategy through augmented reality. The firm's products need a certain level of detail in the design, and the online marketing technique enables consumers to see how products appear at home through the catalog application. Thus, the catalog application is particularly useful for people in the buying cycle as they are more convinced to buy a product. Equally, Virgin America developed an in-flight social network that allows consumers to connect when traveling. To maximize effect, the airline also developed a six-hour flight fictional experience video (Blah Airlines) to demonstrate the firm's consumer service, which augmented competitiveness for the firm. Entrepreneurship in marketing also allows firms to assess the market and the challenges that may limit competitiveness. Paik, Kang, and Seamans (2019) noted that entrepreneurs are an essential determinant in enabling innovation in politically receptive areas, as evidenced by various innovations such as Lyft and Uber banned in different US cities between 2011-2015. The study showed that entrepreneurs' creativity through political engagement is a needed competitive advantage to establish innovation or limit innovative activities.

Entrepreneurial activities in marketing are diverse and differ from the type of firm. However, to understand entrepreneurship behaviors, it is critical to evaluate attributes that differentiate family and non-family firms based on literature. Westhead (1997) differentiated family firms from non-family by describing a family firm as a business where a family owns most shares while non-family firms do not nor do they perceive themselves as family firms. Also, family firms based on research are smaller than non-family firms (Klein & Saldenberg, 1998). Also, Jorissen, Laveren, Martens, and Reheul (2005) found that family firms use less venture capital and CEOs have lower qualifications than non-family firms. These differences are vital as they do demonstrate the significant differences between family and non-firms. These differences are based on three attributes developed by Sirmon and Hitt (2003), including human, social, and marketing capital, and can impact a firm's marketing activities. As described in the extant literature, these specific marketing differences are vital as they will differentiate how these firms include eWOM marketing.

Many firms suggest that they are family businesses, but if that is the case, all small scale and medium (SMEs) would be called family firms. Thus, it is crucial to understand key differences that relate to marketing that would relate to innovation while still differentiating the two firm varieties. According to Habbershon and Williams (1999), a firm is defined as a family when individuals bundle distinctive resources through family and business. Competitiveness is developed within family firms in a way non-family cannot get due to unique family language, allowing individuals to communicate to facilitate information exchange freely. The research noted that family firms are conservative and stable, especially on financial matters, as family members limit sharing equity with non-family members. For that reason, family firms have limited sources of financial capabilities compared to non-family firms. On the positive, family businesses avoid risky financial decisions, and hence they take a longer period making innovation decisions.

According to Poutziouris, Steier, and Smyrniotis (2004), family firms encompass various negative results of the organization's nature, such as the firm's conservative behavior and the increase in other practices such as family guiding, meritocracy in the promotion, and lack of strategic succession. These issues are critical to note because they hamper innovation. Research by Carney (2005) suggested that family firms continuously compete with larger non-family firms that integrate critical resources that are hard to match. A seminal study by Sirmon and Hitt (2003) analyzed three distinctive attributes that differentiate family and non-family firms as human, social and marketing capital. There are various contradictions to measuring differences, but this approach seems more viable because it can predict current marketing behavior among consumers.

One of the most important attributes that differentiate family firms from non-family firms is the concept of *human capital*. Resources and skills that the individuals embody in the firm are part of human capital. However, human capital in family firms is constrained even though research has shown it is key to providing a source for competitiveness (Eddleston, Kellermanns & Zellweger, 2012). In family firms, there are diverse limitations that reduce retaining creative talent or high-ranked professionals. These issues include exclusive succession for family members, limited potential for professional growth, lack of perceived professionalism, or limitations on wealth transfer. Thus, non-family firms may retain talent more easily than family firms because they have opportunities for title positions such as the CEO position, which would be difficult in family firms. Creative talent through the concept of human resources is imperative in the innovation context since individuals with higher

formal education are likely to identify resource networks vital for the business. Thus, when family firms limit growth opportunities for the entire workforce due to familial obligations, it might limit innovation, resulting from highly educated and talented professionals seeking professional development in non-family firms (Kraiczy, 2013). Additionally, individuals who have high formal education are likely to progress research and development (R&D) projects that augment innovation but have limitations of succession or wealth creation that may limit individuals with such talent in family firms. Seminal research noted that family firms are committed, warm, friendly, and integrate intimate relationships, motivating tacit knowledge. Regardless, these attributes are all family human capital and may fail to attract non-family talent, critical for new idea creation.

Social capital is defined within sociology as the ability for individuals to coalesce resources through relationships. Thus, social capital is an important concept of evaluating family and non-family firms since social capital enables businesses to accumulate fiscal, human, and intellectual resources. Companies with higher social capital accumulate information, technological expertise, market access, and complementary resources than firms with lower social capital (Herrero, 2018). Family firms develop social capital more than non-family counterparts since family firms nurture long-term relationships from one generation to another. Other firms are more likely to get attached to family firms that operate a business than amorphous, impersonal businesses. Therefore, the concept of social capital is imperative in family firms when family firms create enduring interactions with external stakeholders. As a concept, social capital has been critical in the family firm's performance through the development of interactions with other external stakeholders to create goodwill. Social capital is related to innovation because external businesses, through cooperation, can share knowledge, technology, and human resources to compete in the fast-changing business environments (Yli-Renko, Autio & Tontti, 2002). Research has pointed out that through such interactions, firms get to share costs and risks to attain competitiveness, and thus social capital is at the center of innovation. Cooperation occurs when there are fast-moving market changes, and companies need to compete with substitutes, new market entrants, and changes in raw materials, among other reasons. Thus, research shows that family firms have more linkages than non-family firms due to family firms' cooperation behaviors as far as social capital is concerned.

Marketing capital creates an imperative distinction between family and non-family firms as innovation carried out by entrepreneurs does not make sense until products and

services are successfully commercialized. Thus, a firm's marketing capital is related to innovation since innovation is required to commercialize a product. Calantone and Di Benedetto (1988) noted that human capital is necessary for development stages, while marketing activities such as market testing and promotion are critical in the implementation stage. Some studies have differentiated family and non-family firms and noted that family firms avail more products and services to the market to gain a competitive advantage over other competitors. Family firms can offer more products because they are closer to consumers owing to stronger social capital, and hence, they can facilitate incremental and radical innovation (Parry & Song, 1994). One imperative aspect about family firms is that they recognize niches in the market and avail more offerings than larger non-family firms. Moreover, it is critical to note that most family firms are small and thus have flexibility, which helps them provide individualized products instead of mass-produced commodities. Market capital relates to innovation since family firms have to find innovative marketing activities to compete with larger non-family firms. Many products and services developed by the family firms through radical and incremental innovation imply that family firms find more distribution channels and marketing strategies to compete with non-family firms (Hu & Hughes, 2020). Such strategies include the use of social capital in networks such as social media. Indeed, the introduction of new products and services in markets is most important for all organizations alike; however, marketing capital is much higher in family firms because they have more products and services to offer in the market.

Therefore, the issue to note is that differences noted in the mentioned studies are likely to impact how family firms and non-family firms use eWOM marketing. Thus, the rationale for choosing the two types of firms is because there are clear distinctions between firm attributes that may affect how marketing strategies are employed. Sole proprietorships could not be selected because they do not address the complexity in decision-making as SMEs do, especially since sole proprietorships do not undergo complex decision-making. Thus, using family and non-family firms depict diverse attributes that need to be studied based on how firms make decisions. To summarize entrepreneurship, Table 1 presents the findings that would differentiate entrepreneurial behaviors when creating firms. It is important to evaluate innovation as it may help in elaborating how family and non-family firms engage in innovation.

Table 1

Differentiating family and non-family attributes

Attribute	Family Firms	Non-family Firms
Human capital Retaining the best talent such as CEOs'	Due generational succession family firms do not have the best talent (Kraiczy, 2013).	There are no generational preferences which make it possible for anyone to climb the leadership ladder. → Have the Best talent
Social Capital Linkages	Family firms develop social capital more by nurturing long-term relationships from one generation to another (Sanchez-Famoso, Pittino, Chirico, Maseda & Iturralde, 2019). Due to this they are more likely to prefer collaboration and cooperation for resources (open innovation). → More linkages	Operate amorphous, impersonal businesses (Llach & Nordqvist, 2010).
Marketing Capital 1: Incremental and radical innovation. 2: Niches 3: Individualized offerings	Family firms are closer to consumers owing to stronger social capital enable easy incremental and radical innovation (Parry & Song, 1994). Family firms recognize niches in the market and avail more offerings than larger non-family firms. Family firms are small and thus have flexibility (individualized products) (Hu & Hughes, 2020). → More marketing capital	Mass-produced commodities (Barbera, & Moores, 2013).

Source: compiled by the author based on the sources given in the table.

As Table 1 presented there are differences in family and non-family firms. These differences are important as they determine marketing activities among firms. The gap in literature is that there are no studies that evaluate how family and non-family firms use eWOM marketing strategies to enhance competitiveness. Studies in marketing between family firms focus on relationships and consumer relationship management CRM between both firms. For example, a study assessed family and non-family firms in the B2B context and noted that family firms are heavily involved in CRM consumer relationships compared to non-family firms (Arsic et al., 2018). These results imply that in family firms owners are

directly involved in marketing as they make negotiations and business development strategies. Also, a research by File, Mack and Prince (1994) noted that family firms are unique in that they initiate more interaction and thus tend to create rewards for individuals to enhance marketing buyer intention. These results thus depict important differences among family and non-family firms which can impact on eWOM Marketing.

1.2. Innovation Theory and Resulting Marketing Intention

Before offering an operational definition for innovation or theoretical explanations based on existing literature, perhaps it is best to set the scene with an example. Innovation is critical as it has defined industry leaders or made small firms into successful firms. Innovation literature perhaps requires a scene-setting using a company such as Netflix, a culture for innovation. Netflix is a company based in the United States specializing in on-demand streaming content. Netflix disrupted the entertainment industry by launching mail-in subscription services instead of just offering home movie and video game rental services as the competition did. For that reason, innovation did not aim at reaching core customers of competitors such as Blockbuster but provided new services such as availing new releases on demand. Netflix did not initially offer these services. For Netflix, the goal was to identify a segment overlooked by the competitors by providing tailored alternatives at lower prices. Once the firm realized the benefits of streaming, Netflix also appealed to Blockbuster consumers since it afforded more affordable prices conveniently. After developing more content for a large population, Netflix then identified that Hollywood does not cater effectively to niches than the entire audience. In 2011, for example, Netflix invested in shows like *Orange Is the New Black* and *House of Cards*. These shows also gave opportunities for Netflix to acquire rights and produce independent films over what Hollywood makes. Other innovations have included upgrading the user interface design for users providing more discovery options for users instead of tediously browsing catalogs. Thus, Netflix is an ideal example of an innovation culture and ought to set the scene for explaining innovation.

Innovation is imperative for marketing because it helps companies anticipate and respond to different customer needs through effective marketing strategies. Table 2 evaluates various definitions of innovation from diverse authors. The classified definitions attempt to encapsulate meanings based on different understandings, but as shown in the Table 2, many authors also classify innovation under these domains. Thus, these definitions are some of the most referenced descriptions under the most popular domains that explain innovation. The

illustrations in Table 2 implies that thus innovation provides the firm with a means to reconfigure internal and external competencies leading to organizational competitiveness.

Twiss and Goodridge (1989) defined innovation as a procedure that integrates knowledge, expertise, economics, and organization to attain originality in the realms of invention or exchange. Identifying different conceptions of innovation is critical because it will help the author identify the topic's specificity. Boer and Doring (2001, p. 83) describe innovation as involving "a new product-market-technology-organization combination." The research demonstrated that combining various elements into products and services can lead to superior goods, efficiency, or enhanced quality. Therefore, the research is crucial because product innovation develops and commercializes new commodities that need technologies or new market segments. Boer and Doring's research as O'Sullivan and Dooley (2008) assert on improving organizational processes to attain innovation in incremental, discontinuous, radical, or quantum leap innovation depending on a firm's strategy. Equally, a seminal work by O'Sullivan and Dooley (2008) defines innovation as a process that begins by enhancing products or services and processes in either incremental or radical intensities and at all levels of the firm. While the research defines innovation as a process, the author also affirms on firm competitiveness like Afuah and Utterback (1997). The research implies improvement of elements to create abilities that can create value for customers.

The authors note that most people identify innovation with products meaning that innovation can occur by making incremental enhancements to commodities, adding goods to the product portfolio, creating next-generation goods, and novel core commodities. An example of innovation is lean manufacturing and just-in-time production introduced in auto production to reduce costs and create profitability. Another example of creating value is when online stores facilitate goods without customers' need to go to brick and mortar shops. When considering innovation, the authors also assert that it can be radical, incremental, and disruptive, depending on the change's intensity.

Afuah and Utterback (1997) classify innovation into different attributes, including organization/administrative, technological, and market. Innovation is technical and links components, methods, procedures, and techniques going into products or services. In this case, improving communication processes, such as social media, would augment efficiency in service rendering and eventually create value using unique influencer campaigns leading to higher profitability. This definition asserted on attributes as opposed to just processes and

hence, the definition is expanded into not just processes but also the technology and policies as well and leadership to help in the innovation process.

Table 2

Classifications of innovations based on attributes that make a firm innovative and how intensive innovation might be.

Authors	Definition
Twiss and Goodridge (1989, p. 5)	"Innovation as a procedure that integrates knowledge, expertise, economics, and organization to attain originality in the realms of invention or exchange."
Afuah and Utterback (1997, p. 185)	"Innovation includes the integration of new knowledge into a firm's products, processes, and services. The authors classify innovation into different attributes, including organization/administrative, technological, and market."
Boer and During (2001, p. 83)	"Innovation can be defined as a new product-market-technology-organization combination. Thus, the research is crucial because product innovation is the development and commercialization of new commodities needs technologies or new segments in the market."
O'Sullivan and Dooley (2008, p. 15)	"Innovation can begin by enhancing products or services as well as processes in either incremental or radical intensities and at all levels of the firm."
Anning-Dorson, Hinson, and Amidu (2018, p. 4)	"Reacting to market changes, being a game-changer, identifying and marketing to special needs, and identifying unmet needs, which result from service intelligence gathering."

Source: compiled by the author, based on the sources in the table.

The research attempts to include divergent viewpoints on innovation definitions from extant literature between 1989 and 2018. The aim for using an extensive period to assess definitions is to allow the author to postulate innovation within contemporary and seminal research which is vital in understanding various perspectives over the period. From the three viewpoints were the most mentioned within the literature. As shown in the Table 3, the resourced-based view perspective becomes the primary grounding of the research instead of the other two viewpoints, studied in the existing literature for how it connects to organizational competitiveness. For example, some authors explain innovation as adopting new products and services, while others explain innovation as a reaction to market changes or knowledge integration. These definitions then imply that businesses have their description of innovation, which guides what changes are required. Innovation as a concept exists in an empirical study. A study on SMEs' (*small and medium-sized enterprises*) in Finland by Varis and Littunen (2010) analyzed varieties of innovation and specific (product, process, market, or organizational innovation) and how these types of innovation link to firm performance.

The researchers found that firms associate new products with innovation and the resulting growth in companies. As well, services and processes that are introduced are linked to business development. The research is thus significant because it explains why many divergent views on what innovation is existed. In particular, the diverse attributes of each firm enable innovation categorization. Table 3 categorizes the myriad differences in innovation definitions.

Table 3

A divergence of innovation based on various authors.

Authors	Innovation viewpoint	Defining the divergence viewpoint
Baregheh, Rowley, and Sambrook (2009)	A multidisciplinary approach based on six disciplines of study.	Innovation attributes <ol style="list-style-type: none"> 1. Nature (new, change, and improve) 2. Type (product, service, process, technical) 3. Aim (competitiveness, success, economy, and superiority) 4. Social context (organization, firm, customer, unit, external environment, workforce, consumer) 5. Means (idea, invention, technology, market, creativity) 6. Stages of Innovation (adoption, development, creation, implementation, and commercialization).
Zawawi et al. (2016)	Resource-based perspective	The research implies that regardless of the types of innovation applied, any firm is forced to use resources available (internal and external) to create a competitive advantage based on the RBV theory.
Edwards-Schachter (2018)	Nature and a variety of innovation	<ol style="list-style-type: none"> 1. Tangible v intangible inventions 2. Knowledge creation as opposed to an economic perspective 3. We are changing global trends. 4. A move by firms to focus on stakeholders as opposed to the firm's central role.

Source: compiled by the author, based on the sources in the table.

Zawawi et al. (2016) analyzed innovation from a resource-based perspective by noting that the theory affirms using existing resources to attain a continuous competitive advantage. The use of these resources must be continuously aligned to meet consumer demands. Thus, firms adopt innovation by altering resources to sustain firm competitiveness, significantly since various environmental issues impact them. From the RBV perspective, the firm may face multiple challenges, including competitive intensity and market turbulence that may force the firm to innovate. These challenges are based on consumer tastes, preferences, and trends, and hence innovation is critical since it acts as a shield from turbulences. For that

reason, firms may include product, technological, business model, and service innovation types to tackle dynamically changing business environments (Porter, 1989; Henard & Szymanski, 2001). The definition here is crucial in that it helps to classify innovation with competitiveness unlike the research by Edwards-Schachter (2018) which only asserts on the stakeholder interests.

Therefore, this research identifies various types of innovation, including technological, product, service, process, and knowledge innovation (Baregheh, Rowley, and Sambrook, 2009). Also, there are divergent views on innovation, as evidenced by current research. For example, O'Sullivan and Dooley's (2008, p. 15) research takes a tangible invention innovation while Afuah and Utterback's (1997, p. 185) definition of innovation takes a Knowledge creation as opposed to an economic perspective. Also, Boer and During's (2001, p. 83) study and O'Sullivan and Dooley's analysis may take a multidisciplinary approach (attribute: product) of innovation. However, this research chooses to take Zawawi et al.'s (2016) RBV approach because it asserts that regardless of the type of innovation, the firm seeks to create a competitive advantage. For that reason, this research will use the following definition for innovation: *Innovation is integrating new products, processes, services, or technology to augment organizational competitiveness.*

Innovation is thus crucial as the deep analysis found that innovation can be used in marketing which can translate objectives to firm performance, organizational effectiveness and other dynamics discussed. innovations occur within products, services, and processes as well as marketing and Drucker was the first to use innovation and marketing in combination leading to the firm's competitiveness (Weizhen, 2009). Competitiveness results from various activities such as redefining the business model to outperform competitors (Mitchell & Coles, 2003; Stoilkovska, Ristovska & Gramatnikovski, 2015; Bekmezci, 2013). The evidence on business models changed through innovation posits that companies adapt to the environment due to the technological, social, political, legal, and economic factors that may affect the entire business. Thus, existing research does illustrate a positive role of innovation for entrepreneurs, and particularly in marketing and how it helps firms attain competitive advantage.

A study by Ungerman, Dedkova and Gurinova (2018) studies innovation in marketing as the search for new solutions to existing problems in business to enable competitiveness and improve performance. Among the impacts of innovation on marketing included improved communication which in the case of this study was increasing communication to enhance

value for consumers. Innovative strategies such as eWOM for instance are important as they enable the firm to augment value through use of co-creation which occurs within eWOM marketing. Past empirical analysis shows that innovation is vital for various organizational processes, including marketing. For instance, a study by Medrano and Olarte-Pascual (2016) found that using new marketing methods positively impacted other types of innovation, including product, process, and organizational innovation. However, O'Dwyer, Gilmore, and Carson (2009) found that small and medium businesses being unique is not significantly related to business success. Thus, such companies take on incremental innovation to product innovation instead of radical innovation since customers are buying products that are not from recognized brand names. Therefore, innovation research signifies that family-firms and non-family firms need to include new products, services, or technologies to attain a competitive advantage.

The marketing function is identified in innovation since firms use innovation such as marketing to enhance business continuity, mainly because companies attempt to create distinctive features in products and services and within processes to provide value. Thus, innovation enables firms to develop distinctiveness, which leads to value creation through cost leadership, differentiation, or both dimensions, which lead to higher competitiveness (Hosseini, Soltani & Mehdizadeh, 2018). Figure 1 illustrates how finding uniqueness through innovation leads to higher profitability. Thus, regardless of the many innovation definitions available, all assert the need to create value, which increases firm competitiveness. An empirical study by Medrano-Sález and Olarte-Pascual (2012) investigated how Spanish firms can acquire a competitive advantage in global markets and found that internal R&D activities and launching marketing offers would create competitive new markets.

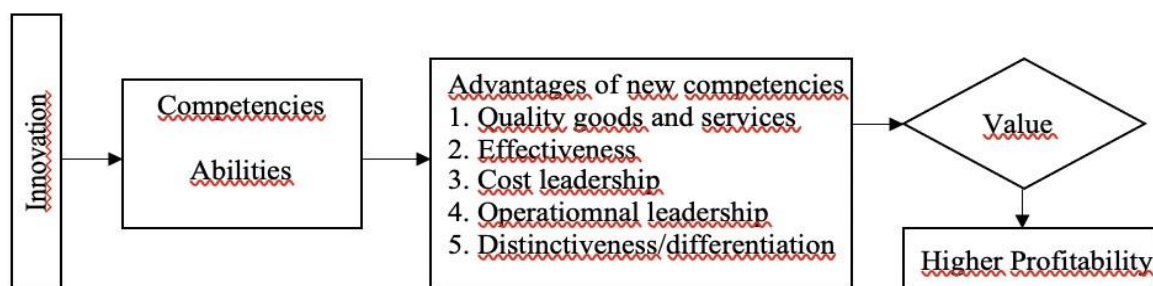


Figure 1. A framework for describing the need for innovation and the resulting profitability for the firm.

Source: compiled by the author based on Hosseini, A. S., Soltani, S., & Mehdizadeh, M. (2018).

Figure 1 illustrates competitiveness for a firm resulting from creating capabilities to sustain growth using external and internal capabilities the firm has. These capabilities are achieved through innovation, and because they enable firms to gain various success avenues, they create organizational competitiveness (Cantwell, 2005). One of the essential varieties of innovation is product innovation, and research by Moen, Tvedten, and Wold (2018) found that it has the most positive impact on competitiveness. Innovation occurs within products, services, or through advancing technology within company processes such as marketing or production. Hence, word-of-mouth marketing in the online environment is innovative technology because social media platforms such as Twitter and Facebook include various networks, pages, and tags that famous influencers use to encourage users to deliberate their experiences. As such, word-of-mouth marketing online is the act of consumers passing information about goods or services to encourage referrals. Therefore, eWOM marketing is critical because it combines word of mouth within online networking platforms to produce buyer intention. Social media platforms mostly play a vital role in enabling customer interaction on products available.

Hence, family, and non-family firms can utilize these opportunities to ensure buyers know products and services available and for other customers to report on customer satisfaction and quality, which leads to successful buyer referral for products. Seeing that social media platforms have increased mobile devices and that people are attached to other networks due to homophily, trust, and close ties, it is only natural that people will use word of mouth. Hence, how firms utilize social media platforms to improve buyer behavior will determine how buyers perceive products. However, different firms may use online innovative marketing tools differently, and thus, diverse entrepreneurial activities can determine success or failure in marketing online.

1.3. Word of the Mouth Marketing

Word of the marketing (WOM) theory has been defined in the extant literature as an informal individual-to-individual conversation concerning a brand of product and service or communication between potential consumers and other individuals who may be experts, family members, and independent experts. The term informal suggests that marketing under WOM is usually mostly independent of the organizations or organized unofficially. The concept of WOM is thus imperative in that it describes various networks such as between family members, customers to reviewers online is vital for making successful product referral. Arndt (1967, p. 3) defined WOM as the interaction between two people. The

communication receiver perceives the communicator as a non-commercial agent for a brand concerning a product or service. Thus, this seminal work depicts that trust is vital in the WOM marketing process. Within the online environment, the concept of WOM has become more crucial because the proliferation of technological devices such as smartphones has enabled individuals to engage more within online networks and social media platforms that enable consumer-to-consumer interaction. Research by Westbrook (1987) defined eWOM as all informal communication occurring between people within internet-based technologies. Thus, companies leverage innovative eWOM marketing strategies to create successful interactions that lead to competitiveness. For instance, Caruana and Schembri (2016) found that innovative marketing using e-WOM shaped visitors' quality perceptions and value in the tourist industry, leading to higher loyalty due to social media communication.

Rosario, de Valck, and Sotgiu (2020) defined three attributes that do online word-of-mouth marketing. These attributes include eWOM creation, which is the consumer's contribution to the original content. Consumers who share their thoughts about a product through reviews and participation create content that helps other consumers to make decisions. The second attribute is eWOM exposure of various products and services to other consumers, and thirdly evaluating these products and services to help in the buyer intention process. Thus, marketing through social media has become a necessary means to attain organizational objectives. Therefore, Companies use various innovative tools, such as social media, to improve customer relationship management. For example, embracing word-of-mouth marketing encompasses customers' use as referral points for marketing to other customers. There are multiple influences within online communities and networks, including social media influencers who already use brands to leverage elements such as trust, close ties, and homophily to help communicate brand value. There is no doubt that online word of mouth (eWOM) strategies have gained momentum in the modern firm as firms have to identify critical capabilities that would ideally help them create competitiveness or disparity with competing firms.

Albarq and Al Doghan (2020) noted differences between WOM and eWOM in that eWOM is more scalable, private, influential, and easily accessible factors that enhanced consumer-to-consumer interactions to traditional WOM. The significance of eWOM in marketing is immense today in that it allows firms to capture the most advantages. As noted, there is no empirical evidence of studies comparing family and non-family use of eWOM marketing. Thus, this study fills this gap by highlighting attributes that would increase the use

of eWOM between family and non-family firms. Studies evaluate eWOM in general by describing benefits and empirically suggesting what attributes can enhance firm competitiveness when using eWOM. For example, Themba and Mulala (2013) highlighted the impact of eWOM on buyer intention. They found that opinion seeking due to trust in word of mouth led to positive purchase intention. Thus, eWOM marketing is crucial in that it can help increase buyer intention and competitiveness. The wine industry, for instance, is known as one of the most fragmented sectors and can profit from eWOM to help consumers acquire products. For example, eWOM differentiates table wines from collectibles and between geographical differences, among others. Other differences among wineries include wines produced by large firms over small firms. Thus, customers have varied tastes, and communicating these aspects to consumers requires eWOM strategies.

Social media marketing has become an imperative means to capture value, and digital marketing strategies are created with the customer's mind at heart. For example, the wine industry is severely fragmented across many segments, and thus, adopting digital technologies has been shown to create value within social media websites. Within marketing, firms include WOM theory in the internet environment by leveraging social capital, the social exchange processes, and most importantly, emotion and affect to enhance customer satisfaction, which leads to buyer intention and ultimately value (Hsu & Tran, 2013). Value is a crucial aspect of WOM since Word of the Mouth enhances customer relationship interaction with firms. Research in word-of-mouth marketing illustrates that it can augment competitiveness for the organization when used adequately. Indeed, Kozinets, De Valck, Wojnicki, and Wilner (2010) found that consumers' use as marketers increased customer satisfaction, leading to increased buyer behavior. Chu and Choi's (2011) seminal research also noted various levels of trust, homophily, and engagements that consumers use to evaluate products online. These are possible due to consumer references that lead to marketing intention. Thus, this research will focus on eWOM marketing, an innovative marketing strategy that can create competitiveness when adopted by firms through the entrepreneurial process. By situating innovation with entrepreneurial activity, the empirical part of the research will explore how firms can achieve competitiveness by incorporating eWOM.

Social media marketing plays an integral role in modern organizations because it is a cost-friendly means to promote consumer engagement and attain competitiveness. Being among the latest developments in the marketing field, businesses are using innovative models

to increase customer engagement and interactions (Agbaimoni & Bullock, 2013; Bansal, Masood & Dadhich, 2014). Social media marketing is innovative in that it contradicts traditional marketing that was organizationally focused. Social media marketing occurs in a space where consumers can access information about the product and opinions from other consumers who do not have a personal stake in selling a firm's commodity. With this frame of mind, markets no longer require spoon-fed marketing as other consumers, and information about users that leads to behavioral intention is available in social networks that encompass cultures and subcultures. Thus, social media incorporates various innovative tools that avail opportunities for globalized customer relationship management to effectively enhance competitiveness (Rambe, 2017; He, Wang & Zha, 2014). Thus, social media marketing is an innovative undertaking to help firms compete in a technologically driven world. Social media marketing relates to entrepreneurship research.

Entrepreneurs find effective pathways for new knowledge and resources. Entrepreneurs have used social media for networking, information searching, and crowdfunding as well as marketing. Olanrewaju, Hossain, Whiteside, and Mercieca (2020) and Secundo, Del Vecchio, and Mele (2020) found that among the most imperative activities among entrepreneurs is social media marketing and networking. Thus, adopting social media activities is a means for entrepreneurs to recognize a means to take advantage of opportunities and market dynamics. As quoted by Uslay, Morgan, and Sheth (2009), Drucker's seminal study indicated that systematic innovation is the arrangement and search for proposed changes that can avail economic and social innovation. Thus, innovation and entrepreneurship are interrelated concepts since enterprises incessantly take advantage of new opportunities. Understanding that entrepreneurship and innovation are interrelated, it is imperative to test how family firms and non-family firms that use entrepreneurial activities adopt social media marketing through consumer-to-consumer interactions.

Entrepreneurs understand that customers are central to the firm's strategy and that competitiveness is shaped within a consumer centric strategy. One of the most prominent ways of attracting new consumers for small businesses is through word of mouth especially for recommendations which allow for consumer acquisitions. Thus, entrepreneurs use social capital which is intrinsic within networks to get new consumers. Social capital in this context is capitalizing on norms, ideas, and emotional support as well as reciprocity and trustworthiness that help firms reach customers (Hsu & Tran, 2013). As Figure 2 illustrates strategies such as eWOM occur within the online environment but also capitalize on similar

perspectives such as trust. Strong ties are associated with bonding and can help in the work of mouth prospects while weak ties do not result in adequate word of mouth marketing. For that reason, firms capitalize on making strong ties or reaching networks with strong ties to ensure customers understand new products and services. The concept of strong ties within eWOM is that it enables the creation of trust which is imperative for communication. Thus, the level of strong ties within online communities that would lead to more consumer engagement requires trust.

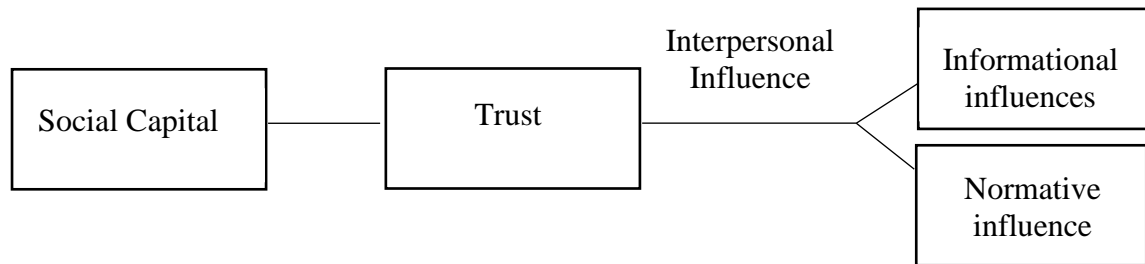


Figure 2. A framework illustrating how eWOM behaviors are established within online communities due to already existing social capital among people.

Source: compiled by the author based on Hsu, Y., & Tran, T. H. C. (2013).

Small businesses can rely on eWOM by identifying various online networks that encompass strong ties which mediate trust and thus higher consumer engagement. Another imperative issue to note about online communities is that interpersonal influence is critical as credible evidence is needed to pass to individual communities. For instance, Facebook encompasses of various communities and sub-cultures. Depending on the level of trust people have on Informational influencers is equal to the level of consumer engagement such as conformity to accept products and accepting information as credible. Thus, entrepreneurs capitalize on online networks because they are innovative techniques to reach specific cultures through certain individuals who have an influence on them.

Marketing is central to the firm's success, and hence entrepreneurs rely on innovation in every area of business to attain a competitive advantage. Social media is a technologically innovative resource that this research identified since platforms use trust among followers, homophily interactions, and close ties as referral links to new and existing products. For that reason, entrepreneurs identify how best to use various forms of relationships among networks and subcultures online to create buyer intention, making a competitive advantage. For that reason, this research analyses that eWOM marketing is critical for modern firms' success. Thus, firms that will capitalize on understanding these marketing strategies by creating functional corporate structures and decision-making processes, among other aspects, will succeed in creating competitiveness.

2. Empirical Research of eWOM Marketing as Innovative Entrepreneurial Behavior

2.1. Research Methodology, Sample Description, and Data Analysis

The author conducted a qualitative methodology by making interviews in Estonia. The qualitative methodology means that the author's subjective meanings would likely impact interpretations; however, the research integrates a triangulated evidence with primary studies to increase the study's trustworthiness. The author used purposive sampling through personal judgment to find family and non-family firms in Estonia on the networking sites on LinkedIn and Facebook. Before the study engaged in any interviews, the author emailed an invitation (see Appendix A) to participate in the study together with the form of informed consent (see Appendix B). Purposive sampling was appropriate due to time limitations and adequate participants' availability (Check, Dame & Beskow, 2014). After respondents agreed to the research and signed informed consent, the author used direct messaging and call platform WhatsApp which was easy to use and affordable. The messaging application also enables encrypted calls between individuals, which enhances confidentiality among respondents.

The author needed a methodological approach to yield meaningful outcomes in qualitative methodology and hence used a thematic analysis which enhanced precision and consistency of data (Nowell, Norris, White & Moules, 2017). Thematic analysis is important because researchers record, systematize, and use evidenced-based methods to create categories and subcategories that can assess qualitative data. The author analyzed the data by identifying, evaluating, organizing, and describing emerging themes. Research by Braun and Clarke (2006) suggested that researchers should use a thematic analysis when they have large transcripts because it is easier to evaluate meaning and interpretations according to their meanings. The thematic analysis using WebQDA software helped the author summarize key features of data by using a well-structured method to gain an organized report (Cassell & Symon, 2004). Using the WebQDA software that enables thematic analysis, the author ensured trustworthiness because any researcher who would transcribe the same data would get comprehensive results. However, it is important to note that the author used subjective meanings based on social constructivism to produce interpretations that can be biased. Thus, providing a discussion of the themes would help in enhancing the validity of the study. The following research questions guided the study:

Research Questions:

1. How do family and non-family-firms initiate innovative marketing activities using social media strategies such as eWOM?
 - a. What innovation practices do family and non-family experience and can these innovations explain and predict ease of social media use?
 - b. How do family and non-family firms in their entrepreneurial activities understand and incorporate marketing practices? Can these practices explain how either firm incorporates social media marketing?
 - c. What do aspects of trust, homophily, social ties and interpersonal influence in word of the mouth marketing mean to family and non-family firms?

Prior engaging in the analysis this section offers a rationale for the measurement tool used in the analysis. Also, this section introduced the sample and why the research used family and non-family firm participants.

Cooper, Stavros, and Dobebe (2019) noted that social media marketing is still a developing phenomenon, and thus, it lacks appropriate valid constructs for evaluating social media marketing. Tran, Yazdanparast, and Strutton (2019) noted that there is an unavailability of validated scales to evaluate social media model use and how that impacts consumption behaviors in existing research. Thus, measures developed before may fail to capture and assess the complexity of social media consumer-to-consumer interactions in the context of eWOM marketing strategies. Dwivedi et al. found in their study that “no scale currently exists to measure the level of perceived connectedness via social media between an individual to others, as well as perceived connectedness via social media between an individual to a brand. It would be interesting to explore these relationships and the link between perceived connectedness and behavioral outcomes, such as brand awareness, electronic word-of-mouth intentions and purchase intentions” (2020, p. 6). The above statement has imperative implications for considerations in developing measures for quantitative studies and thus interviews make this qualitative study appropriate to mitigate any issues with rigor or ambiguity of the research process.

The research integrated a semi-structured interview to gain in-depth responses, which would enable the author to assess and compare participant responses. Semi-structured interviews as a measurement tool were appropriate because the sample included only 6 respondents, and thus, integrating analysis of variance statistics would not be helpful. In research, significance tests are only helpful with a sample of 100 respondents or more. Thus, this research would not integrate quantitative research because of the small sample size.

Instead, the measurement tool that is most appropriate for this research is inductive coding which according to Sgier (2012) is a dynamic means to assess narrative data.

The author developed an interview protocol (see Appendix C) to establish people's meanings and experiences of innovation and attitudes about social media marketing that can impact organizational performance (Knox & Burkard, 2009). The interview protocol helped refine the study's primary focus and augment the inductive coding quality. That interview approach is semi-structured and allows the author to have an interactive relationship while still allowing diversity. Semi-structured interviews are flexible as they enable probing individuals in detail while still restricting them to some unnecessary information (Hiller & DiLuzio, 2004). The interview protocol thus acts as a guide. It serves as a foundation of the interview while still allowing for creativity and flexibility to ensure an in-depth assessment of a case. The interview guide/protocol helped the author ask questions on social media strategies used within the firm. The author developed five questions (see Appendix D) that gave direction to conducting data analysis. Swap & Nagurney (2005) indicated that a protocol provides exposure and grounds the specific discussion in personal experiences.

Qualitative research is often criticized for lack of rigor in methods undertaken due to issues such as transparency in the analytical procedures. Also, there is no held consensus for enhancing rigor in qualitative research, an aspect that tends to reduce validity in the research. Regardless, this research demonstrates integrity in applying methods used and the precision in which study findings reflect the data. Also, the research demonstrates the consistency of the utilized analytical methods. The first method to enhance research rigor was to use the respondent validation method. After transcribing the interviews, the author sent the interpreted and condensed results to individual participants to confirm and authenticate study results. In this stage of data collection, participants also enhanced the author's understanding. The interpreted findings, when saturated, can promote validity, especially when they are consistent across samples making the research more reliable. The developed questions for the study are described as follows below.

The first question was titled demographics and included age, work experience, gender, family/non-family employee, and company position. The first question was vital as it would assess whether aspects of digital marketing varied across different ages among the participants. The first question was structured and asked questions about demographics of age, gender, years of experience, and department. Gibbs, Kealy, Willis, Green, Welch & Daly (2007) noted sampling and data collection processes are crucial for assessing the quality of

qualitative research, especially for generalizability of findings. Aspects such as immersion of the subject, context, and population are critical in augmenting the study results. This study, for example, used purposive sampling. Through this method, the author could identify sources for rich data and examine emerging effects that do not align with existing data.

The second to fifth interview questions were semi-structured, and in particular, the second question assessed whether the firm engaged in incremental or radical innovation. The second question is crucial as it is imperative to study if Estonian firms are like other global family and non-family firms that prefer radical and incremental innovation. For example, a study by Hu and Hughes (2020) explains why family firms may have tendencies towards radical innovation or choose to take risk aversion strategies by avoiding radical innovation. For that reason, assessing innovation strategies would help understand how quickly family firms are likely to adopt digital strategies for research, marketing, or crowdfunding.

The third question evaluated the respondent's perceptions of their company's use of direct or vital marketing. Family firms and non-family firms use digital marketing strategies in diverse intensities. For example, family firms are known to invest in social networks that help them effectively facilitate the supply chain. Thus, seeing that family firms are more likely to leverage social networks for a competitive advantage, they are more likely to integrate marketing that uses assert on social networks they invest in, unlike family firms. On the other hand, non-family firms may engage in direct marketing but on a differing level to family firms. Similarly, question four will analyze specific eWOM marketing tactics employed by family and non-family firms to assess if varying degrees of adoption can explain various specific traits that differ among the two firm types.

The fifth question is also critical and asks the participants whether the firm has a research and development department. Existing research already identifies the significance of R&D in non-family firms, but that could be due to access to more resources than family firms. For family firms, risk aversion between family members and the propensity for short-term returns can be a significant hindrance to research development and instead of a likelihood for adopting open innovation, which encourages risk-sharing. Indeed, the size of the family firm and the resources available are some of the primary determinants of innovation. Ibhagui's (2019) research noted that when there are adverse effects to R&D small firms tend to have more consequences than larger firms. Hence, open innovation is more suitable for smaller businesses where sharing risk could be beneficial.

The sample included six respondents who answered five questions that guided the study. Among the six participants, three were from family firms, while three were from non-family firms. The author collected data through non-probability sampling by first identifying the companies in Estonia through occupation networks such as LinkedIn, a business and employment-oriented online service and Facebook. After placing the sample among Estonian firms, the author then collected the contact information necessary to collect initial data. Out of the targeted eight participants, only six agreed to be part of the research. All ethical guidelines were maintained, and thus, the author did not publish identities with the transcribed interviews. All conversations occurred within an encrypted messaging platform that allowed audio call recording because it is a fast and affordable method for collecting data over long distances. The research employed purposive sampling to identify respondents, a variety of non-probability sampling in which authors rely on their judgment when selecting a sample (Vehovar, Toepoel & Steinmetz, 2016). The use of judgment, in this case, was a choice between family and non-family firms and excluding large scale organizations such as multinationals even though they fall under non-family firms. The sampling was appropriate because reaching a specific sample of firms would be difficult. A rationale for choosing family and non-family participants was based on various attributes such as human capital, marketing, and social capital.

Qualitative research aims to ensure the trustworthiness of the findings through methodological strategies. Noting that both participant and author subjective views can impact findings, the most important issue to deal with was accounting for biases and acknowledging biases in sampling, which can ensure depth and relevance of data collection processes. Due to the nature of qualitative studies, where studies encompass textual data, meticulous records and establishing comparisons enhanced the study's validity. Beyond participant validation, the author also used triangulation as a methodology by using two data collection methods to produce more comprehensive findings.

An exploration of demographics of this research is also crucial as it demonstrates how position in the firm, age, can be essential for decision making and choice of strategies chosen by the firm. Top management posts are linked to males as among all respondents. Only one respondent was female. Random purposive sampling is essential in this research in that the author firstly identifies a large section of individuals from which the author identifies desired participants. Purposive sampling is critical because selecting some reports from a pool of a desirable sample can add credibility to the selection and, ultimately, the rigor of the

qualitative research when the sample is too large (Omona, 2013). Purposive sampling is a practical necessity due to various constraints such as time, and hence the author picks a sample that can fulfill the study's goals. With that in mind, the research fulfilled sampling by using two Chief executive officers (CEOs'), two marketing managers, and a regional manager. The choice of using these critical individuals in family and non-family firms aligns with Patton's thoughts that all qualitative research is ideally purposeful since qualitative investigations include an in-depth analysis of small or single cases (1990, p. 169). Thus, this study includes a purposeful sample that embraces key practitioners in the business field who aid in providing a rich case about social media marketing and specifically use of eWOM marketing. Thus, purposive sampling is essential in this case as it helped in elucidating critical perspectives on marketing and innovation in Estonia.

As noted in the sample description, the sample was too small to conduct statistical analysis because achieving significance with the small sample is problematic. Another consideration is that mixed methods using statistical measures could not be used since a scale would not be appropriate as all ranges would not be equal (also data would be ordinal) in an interview making mixed methods of analysis inappropriate as ordinal measures do not assess means or standard deviation. Due to issues such as time limitation, the study only used the companies that reached out first after sending participation letters. The six participants all represented their firms in the research and thus the study results can be crucial for the firms as they may impact on marketing practice. Table 4 below illustrates the company data and participants information.

Table 4

Participant information for all firms included in the research.

Firm Variety	Interviewee Gender	Position	Sector and field of activity of the firm	About the firm
Family	Male	CEO	Gathering of wild growing non-wood products	Selling horticultural, forest and garden products
Family	Male	CEO	Retail sale of clothing and sports equipment in specialized stores	Supplying different institutions with sporting equipment and have retail stores in major cities
Family	Male	Regional Manager	Retail sale of furniture and articles for lighting in specialized stores	Selling Scandinavian furniture
Non-family	Female	Marketing Manager	Landscape service activities	Offering quality landscaping and gardening services
Non-family	Male	Marketing Manager	Renting and operating of own or leased real estate	Developing trade environments and providing rental and management services.
Non-family	Male	Marketing manager	Sale of cars and light motor vehicles and maintenance and repair of other motor vehicles	Selling and repairing motor vehicles of a specific car brand

Source: compiled by the author, based on the information from interview transcripts.

The expected results projected for this study were that even though family and non-family initiate innovation activities family SMEs initiate more social media marketing innovative activities and ultimately eWOM marketing than non-family SMEs. The results of this have been supported by an empirical study by Werner, Schröder and Chlostá (2018). The study found a significant correlation of $t(\beta = 0.864; p < 0.001)$ to support their hypothesis “Small family firms are more innovative than small non-family firms. In contrast, family

firms are less innovative than non-family firms.”. The results expected also should show that due to factors such as decision making, hierarchy and power sharing immobility, family firms are less likely to engage in collaborative R&D activities than non-family firms. Therefore, the research results as illustrated on Table 5 will likely show that family firm SMEs are more likely to engage in unique eWOM behaviors than non-family firms but that this could change when family firms need to engage in collaborative innovative marketing activities to initiate eWOM marketing.

Table 5

Predicted results based on research results from existing studies such as Werner, Schröder and Chlosta (2018).

Family firms	Non-family firms
Family firms are more likely to use innovative social-media-marketing marketing activities.	Non-family firms are likely to rely on both digital and traditional forms of marketing than family forms.
Open innovation and collaboration.	R&D (<i>Research & Development</i>) and thus internal development of innovation.

Source: authors own based on implications from Werner, Schröder, and Chlosta (2018).

2.2. Analysis of Research Results

The study analysis follows an inductive coding process to attain qualitative results using word of mouth or consumer-to-consumer interactions in the social media environment. The primary goal is to assess experiences and attitudes about innovative behaviors; thus, the analysis section will utilize codes divided into themes that can help the author analyze qualitative data. Mainly, by assessing the data, the research can answer how family and non-family firms in Estonia use innovative marketing strategies such as eWOM marketing. The inductive analysis of types of marketing implemented below compares family and non-family firms in how they adopt innovation. The inductive coding analysis began by categorizing emerging themes found in the transcribed interviews. In the first place, the author identified the merging themes and subcategories as identified in Table 6. The table represents a major category and subcategory, and thus, the hierarchy illustrates the relationships between categories. In thematic analysis, inductive coding begins by creating a node hierarchy before identifying subcategories related to a major mode.

Table 6

Represented themes and sub themes that guide the study.

1. Current innovation practices	2. Direct or Viral Marketing	3. eWOM marketing practices
1.1. Creating new products and services	2.1. Direct marketing	3.1. Using strong ties or interpersonal Influencers
1.2. Improving processes	2.2. Does size of the firm matter in adoption of direct or viral marketing	3.2. Role of trust
1.3. Incremental and Radical innovation	2.3. Facebook, Instagram, Twitter, and YouTube combinations (Social Media)	3.3. Homophily
1.4. R&D and open innovation		

Source: compiled by the author.

Thus, the author conducted inductive coding for the transcribed data through thematic analysis software WebQDA as presented below. Afterward, the author used triangulation with existing primary research to promote the trustworthiness of the data. Since the textual data was uploaded to the WebQDA platform, the author used an inductive to interpret results and a deductive method to answer the research questions. For example, Appendix E, F, G show the results for the three themes identified to answer to innovation practices among family and non-family firms.

The research results are guided by reflexive thematic analysis idealized by Clarke and Braun (2013) to answer research questions concerning broad and narrow questions about a subject matter. An inductive research approach suggests that the author would allow the data to determine themes. It is critical to note that the analysis takes a semantic/ latent analysis of data as the research analysis objectively examines what people say about innovation in the context of this study. Once the transcribed data was placed into a platform, the author then grouped themes to answer research questions. For example, the author grouped three major themes and sub themes based on the major themes. Using a semantic/ latent analysis means data collection, the author only evaluated the surface meanings of the data. The research results thus only examine what participants said and described. After analyzing the semantic themes, the researcher conducted a latent analysis to explore respondents’ underlying ideas and assumptions, and perceptions of the study results using existing literature. Therefore, latent analysis acts as a means to triangulate the semantic analysis results and thus enhance the quality of this qualitative study.

The first research question asked participants “what innovation practices do family and non-family experience and can these innovations explain and predict ease of social media use.” Thus, the research question explored the participant’s ideas about innovation practices

and specifically whether the firm incorporated innovation to improve the process, radical or incremental innovation, product innovation, as well as R&D or open innovation. From the data, the author found some differences in how family and non-family firms innovate. The researcher found that all the firms did not have an R&D department but that could also be due to the size of the firms. For example, A chief executive officer (CEO) in a family firm dealing with horticultural products noted that *“our company does not have a research and development department. This is largely because our company is not large enough to divide work tasks into structured units.”* In the research, all family firms and non-family firms in Estonia were relatively small. A similarity about all firms except for one car dealership firm is that all firms were service firms, and thus product innovation was not evident in the firms chosen for the study. However, process and incremental innovation were evidenced among family firms. The firm that provides landscaping and gardening services when the firm offers various interesting service combinations or additional services. The CEO for a family firm supplying clubs with sports equipment indicated that *“We try to treat each client as our priority. We start by listening and understanding what he or she needs to be supplied. Do you want a hockey stick made from African hardwood? We deliver to their tiniest of specifications and give them a money-back guarantee.”* It appears that family firms identified niche markets that require customized goods and hence the need to integrate radical innovation. However, incremental innovation was noted among two non-family firms, car dealership and retail management services, which occurred by increasing marketing activities by adding elements of the marketing campaign or e-service developed. Figure 3 below summarizes the number of sources (six firms so the number of sources cannot be more than six) and reference (evident thematic instances in interviews).

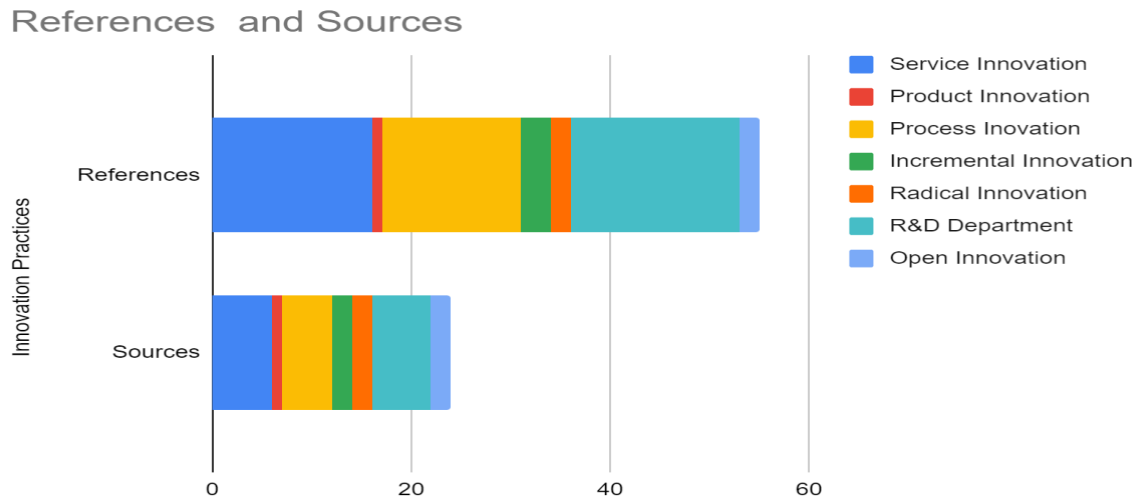


Figure 3. A graphical representation of references and sources for the theme innovative practices.

Source: compiled by the author.

The second research question answered “how do family and non-family firms in their entrepreneurial activities understand and incorporate marketing practices? Can these practices explain how either firm incorporates social media marketing?”. The inductive analysis found that the non-family firms were more likely than family firms to include direct and conventional marketing practices while all family firms integrated more social marketing than other forms of marketing. The study results also found that all firms used Facebook, however, some also used Instagram and YouTube. The level of use was thus divergent based on each company strategy. For example, a marketing manager for a non-family firm dealing with trade environments and providing rental and management services asserted that: *“We have some people in the physical centers who specialize very precisely in offline marketing, that includes, all the events that take place in the markets or in the shopping centers. And then we have a very strong central team to help with all the other things they should not be dealing with. For example, social media, paid advertising, the entire PR department, the e-commerce section, newsletters, etc.”*.

Similarly, a non-family firm in a car dealership business also uses vast resources to create television campaigns using innovative ideas, a factor that implies that this non-family firm relies completely on traditional marketing methods. Equally, smaller family firms seem to engage more in social media marketing as part of direct marketing strategies than non-family which combine a variety of traditional and mixed direct marketing strategies such as pay per click, newsletters and email marketing. Social media in family firms makes sense because

smaller flexible family firms have limited budgets for traditional marketing campaigns. Hence, they rely on social media because it is an affordable means to enhance customer engagement. One family firm dealing with Scandinavian furniture also used a variety of strategies but based on the interview, the firm has more resources than the other two family firms interviewed. The firm noted that marketing potential was realized by adopting “social media 18.77%, through newspapers 16.76%, thanks to TV advertising 4.69%, google search engine 47.86% and other media, outdoor advertising, etc. 11.93%.”. However, one can see that social media marketing is the second most important direct marketing method. Figure 4 shows that social media was highly referenced across all firms since it is a significant practice among all firms in the themes marketing strategies. However, social media is evidently a more integrated practice among almost all firms.

References and Sources

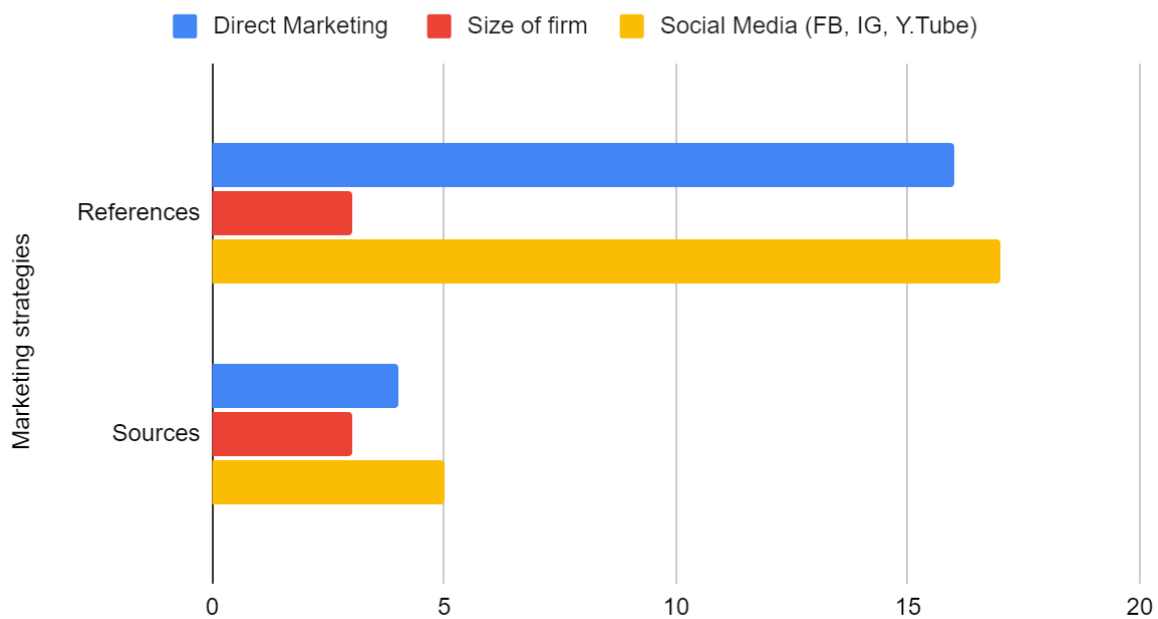


Figure 4. A graphical representation of references and sources for the theme Marketing Strategies.

Source: compiled by the author.

The third research question explored “what do aspects of trust, homophily, social ties and interpersonal influence in word of the mouth marketing mean to family and non-family firms?” The third research question is important as it assesses whether family or non-family firms have more social capital. From the results, the study found that two family firms used social media influencers to market their products online meaning that family firms were more open to eWOM marketing. For instance, a Scandinavian furniture family firm noted that “in

recent years, we have also started to use more and more influencers as well as other Estonian celebrities, whose homes we have furnished and through that we received a lot of Instagram and Facebook posts and new followers as well.”. Also, four firms among all participants noted that family firms have social capital due to generational linkages that help them gain more social capital and ultimately trust from consumers. A family firm dealing with horticultural products highlighted that *“We think family businesses have a small advantage in some ways, precisely because I think family businesses have their own story and history to tell, which touches more and more peoples' hearts.”*. As well, family relationships are crucial as they are not only important for establishing connections but also trust. For example, one non-family firm dealing in trade environments and rental management services also affirmed that they are considered a semi-family firm and as such *“the marketing manager of one of our markets is the daughter of the owner, and so on. There are also a lot of family topics in our group... Maybe it's nice that you can communicate some family value.”*. The significance of this is that firms therefore identify that family firms have more social capital which can be translated positively to marketing opportunities. It is for that reason, there were only fewer references to this theme since eWOM is a fairly new practice among firms despite the intentional use of social media marketing today as shown in Figure 5 which summarizes the eWOM marketing theme.

References and Sources

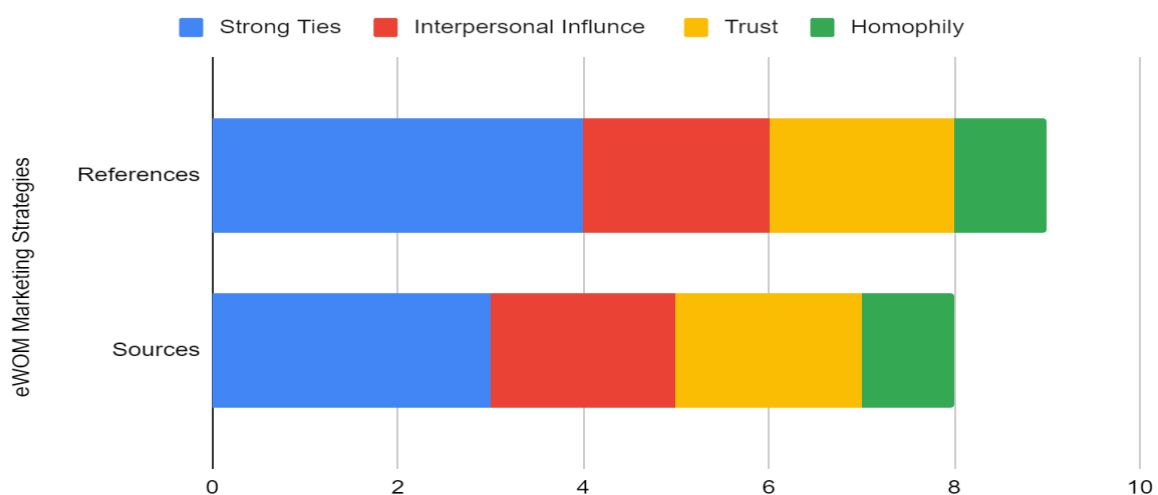


Figure 5. A graphical representation of references and sources for the theme innovative practices.

Source: compiled by the author.

After describing how the themes occurred in the text, this next section discusses the semantic themes using a latent view of research. Thus, the results interpretations are discussed to evaluate what current research says about the themes presented which will in a way triangulate study results. Table 7 below compiles the results for all three sub questions on how family and non-family firms innovate and diverge in innovation activities in marketing.

Table 7

Comparisons of innovation and marketing in family and non-family firms according to the study results.

Research Question (RQ)	Family firm	Non-family firm
RQ1	Service, process and open innovation, and radical innovation.	Service, process, and open innovation.
RQ2	Social-Media-Marketing marketing.	Digital marketing and omni-channel marketing.
RQ3	Trust, homophily and interpersonal elements as well as strong ties are found in their social media marketing.	No evident eWOM marketing is evident in their strategy.

Source: compiled by the author.

The first research question evaluated innovation practices among family firms and non-family firms. A recent study by Price, Stoica, and Boncella (2013) found robust support for innovation in family and non-family firms alike. However, this research noted divergent practices at innovation. Literature supports this need to create products since radical innovation to develop novel products or services is the “lifeblood of firms” (Slater, Mohr, & Sengupta, 2014, p. 552). Without innovation, family firms are at risk of losing competitiveness to much larger non-family firms. Thus, family firms are likely to introduce more products and services to the market than their non-family counterparts, meaning that niche markets could be a motivating factor (Kraus, Pohjola & Koponen, 2012). Extant literature denotes that family firms are flexible, translating into successful innovation (Broekaert, Andries & Debackere, 2016). Thus, innovation perspectives depict differences in what family firms and non-family firms perceive as important in innovation. For smaller firms using open innovation offer more flexibility than pouring already stretched resources into R&D. Lim, Chesbrough, and Ruan (2010) investigated how small companies like Intel

that were coming up competed with IBM, extensive cooperation using the R & D department. Unlike common belief, collaboration effects between firms may not always result in needed innovation among firms. In this case, Intel firm-to-firm cooperation did not result in increased patenting activities. However, the study found that relying on external sources of knowledge was more productive for small firms such as Intel to compete with other firms. Chesbrough (2003) also noted that closed innovation may not always increase innovativeness as depicted by the Xerox case study compared to the Intel case, which survived and thrived due to integration of open innovation within a technologically intensive semiconductor industry with IBM and AMD. Thus, industry, resources, or skills could cause a firm to rely on open innovation. However, this study showed more incremental innovation among non-family firms than among family firms. Thus, the research contradicts research by Nieto, Santamaria, Fernandez (2015) that found that family firms engage in incremental innovation. Another contradiction is also seen since family firms were more innovative contracting Allio (2004) and Carney (2005). Both studies indicated that due to resource constraints in family firms and family members' closeness in management, family firms tend to be less innovative than non-family firms. However, Naldi (2007) and Zahra, Hayton, and Salvato (2004) asserted that innovation occurs more in flexible organizations such as family firms compared to larger firms by noting that they are less bureaucratic and flexible. Thus, this discussion shows that family and non-family firms diverge at innovation and that these differences explain adoption of social media marketing due to flexibility in family firms.

The second research question explored marketing strategies and according to the study, family firms engaged more in social media marketing than non-family firms. One element of social media marketing integration in family and non-family firms illustrates similar resource problems and decision-making capabilities. As illustrated in the description of emerging themes for the digital practices table (See Appendix F), social media is essential in family firms because they are primarily generational and seek social capital, culture, commitment, reputation, and sustainability (Agbim, 2019). For larger non-family firms, some issues with decision-making or hierarchy can mitigate the integration of modern marketing strategies. Mihm, Loch, Wilkinson, and Huberman (2010) assert that unless a complex organization has a lead function to support solution and problem solving, there will be severe issues with front-line groups leading the firm even though structure does not matter at middle management. Thus, this research supports that organizational design should be crucial in accommodating social media marketing. Also, the research supports Raman and Menon's

(2018) factor analysis study that found that social media marketing is critical in family firms that are trendsetters and combative crowd compared to ignorant inhabitant firms.

The third research question explored specific viral marketing strategies employed by family and non-family firms. Family firms were evidenced to have more advantages in using interpersonal influence and other strategies employed in interpersonal influence. Family firms have the advantage of relying on strong ties with external relationships to enhance generational family businesses that require strong relationships. Existing research finds that family firms rely on generational identities, which are imperative in succession planning (Sanchez-Famoso, Pittino, Chirico, Maseda & Iturralde, 2019). Therefore, familial relationships through strong ties are the focus in engaging in consumer-to-consumer relationships. Research by Aragón-Amonarriz, Arredondo, and Iturrioz-Landart (2019) noted that family social capital helps in preserving the transmission of responsible family ownership from generation to generation. Thus, social media involvement in consumer-to-consumer relationships also creates competitiveness and uses these strong ties, which help sustain the business across generations. Homophily relationships are also important in engagement as family members are involved in promoting goods on social media. Kusumasondjaja (2015) found research to investigate the usefulness of homophily in marketing. It can improve buyer responses and intention because homophily trust can increase trust within social media platforms. Ahlf, Horak, Klein, and Yoon (2019) also noted an important role of trust that helps create relationship quality in online interactions. Equally, non-family firms were noted to use interpersonal influences in social media eWOM marketing. These perspectives may arise because they are unlike family firms that mobilize social capital to enhance marketing benefits. Instead, non-family firms rely on robust fiscal resources to augment the quality of marketing campaigns to augment competitiveness.

After conducting the inductive analysis of the semi-structured interviews, the author additionally compiled the number of references and how many various aspects were mentioned (See Appendix H). The significance of conducting this analysis is that it also provides various instrumental general statistics that data appears about a subject. By having these data ranks, the author can begin to see which patterns emerge the most and briefly mention them. These patterns can help the author in creating a future study if a phenomenon is interesting to explore. As Appendix H and a tabularized Figure 6 illustrate, there are various people (references/refs) on a subcategory and the number of one theme mentioned (sources) how they occurred in the WebQDA platform.

From the analysis, most of the firms asserted there was no need for R&D, a factor that explains why R&D ranked highly in Figure 6 below. The number of references that type of social media tool integrated was also high among respondents. However, this can be explained by the fact that social media use is no longer an innovative strategy as all firms use social media in their marketing strategy. However, only a few sources use e-WOM marketing, and from the looks of it, it is a crucial factor that can help firms grow their marketing objectives. From the analyzed Figure 6, it is clear that there is a definite lack of innovative e-WOM marketing among all six firms to allow consumers to become key ambassadors for their brand. At the moment, all firms do post on their social media accounts and encourage feedback; however, marketing has changed. Today, the consumer is at the center of marketing, and getting the consumer involved directly with other consumers can increase competitiveness.

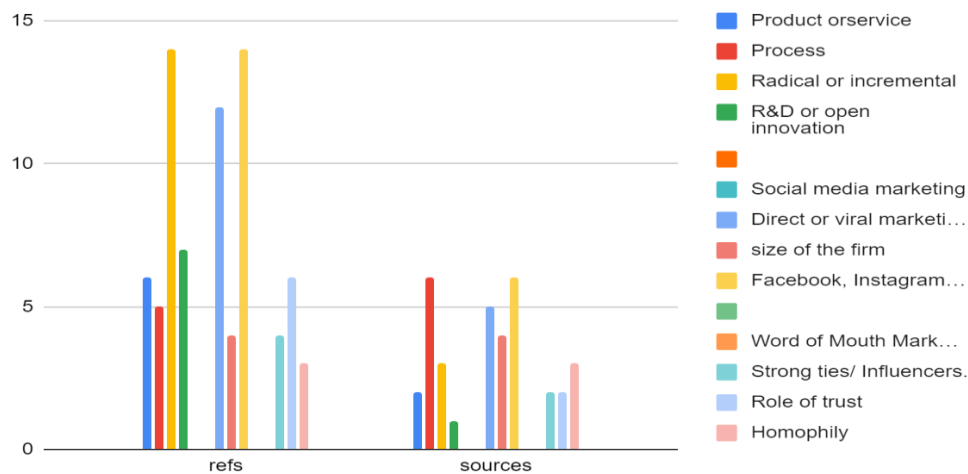


Figure 6. Graphical representation of references and sources of each theme and subtheme occurred in the WebQDA platform statistical sequence.

Source: compiled by the author.

The empirical results depict a differing preference for how family and non-family firms innovate. These differences are based on innovative behaviors which impact the marketing strategies that diverse firms in the study use. The first research found that family firms are likely to adopt radical innovation while non-family firms adopted incremental innovation. These results confirm research that noted that family firms are more flexible and less bureaucratic. However, fewer resources may compel these firms to choose to bring more products to market than non-family firms. Another divergence seen in results was how family firms and non-family firms included marketing strategies. More focused social media marketing strategies are evident in family firms, while non-family firms use broad

conventional and direct marketing methods. However, eWOM marketing is what created a difference between family and non-family firms. Only family firms depend on social ties, trust, and homophily. Thus, when connecting with users, viral marketing using interpersonal influencers becomes more beneficial than non-family firms, which do not depend on strong ties and generational ties. A critical attribute of eWOM is using interpersonal influencers, which was only evident among family firms doing this valuable research for practitioners who need to adopt this method to gain more competitiveness.

Conclusion

The aim of this bachelor thesis was to see how family and non-family firms initiate eWOM marketing activities as a type of innovation. This study consists of two main parts - one theoretical, and the other empirical. The theoretical part aimed to assess innovation as an entrepreneurial activity and the family and non-family attributes under empirical analysis, thus creating a characteristic definitions for family and non-family firms and entrepreneurial activity of family and non-family firms, innovation, and marketing strategies under word of mouth (eWOM). The second part was an empirical study through inductive coding analysis to evaluate innovative marketing practices among six family and non-family firms in Estonia.

The theoretical review found that family firms and non-family firms differ in their marketing practices. Innovation is imperative for family firms and non-family firm's growth. However, as research suggests, various dimensions such as decision-making processes, hierarchies, and overall organizational culture within the family and non-family SMEs can impact innovation adoption. Based on three key attributes that differentiate family and non-family firms such as social, human, and marketing capital, family firms have more social capital which enables them to implement more strategic innovative marketing activities such as eWOM which require strong ties, trust, and homophily aspects. Since family firms may have lower capital compared to non-family firms, initiating social media marketing is strategic and aligns with family firm attributes.

This qualitative study explored how family and non-family firms adopt social media marketing in consumer-to-consumer narratives within the online environment in Estonia. The study used an inductive coding analysis platform known as WebQDA to analyze qualitative data. The study was guided by the social exchange theory and shared narratives. The approaches demonstrate that people interact to gain information beyond what the firm can do. Also, the study is based on the fact that people with shared narratives can be vital sources of information. With that in mind, the author found it most appropriate to analyze data

inductively to answer the research questions. The sample was too small to undertake measures of variance to get significance between essential variables. Thus, the author undertook decoding through a thematic analysis to find occurring themes among respondents. The three occurring issues were:

- **Current innovation practices:** The firms included in the study were all service firms, and thus improving the process was the most critical innovation practice utilized. No firm had research and development as all firms in the survey are minor and either relied on open or process innovation. A few firms rely on service innovation, but no product innovation is evident.
- **Social media marketing:** Social media adoption was similarly crucial in all firms and is not a point for competitiveness per se. It is a common strategy in Estonia primarily due to the strong network connections that have enabled business connectivity. However, there is a comparison between family and non-family firms since family firms rely on social media. In contrast, non-family firms integrate omnichannel marketing and digital marketing in general to achieve their objectives.
- **Word of mouth marketing:** Non-family firms are most likely to use their available fiscal resources to engage in direct marketing efforts. However, family firms differ in that they use interpersonal influence, strong social ties, homophily, and trust within networks to enhance competitiveness in a way non-family firms do not.

This qualitative study integrated an inductive coding analysis of six interviews with respondents in Estonia. However, further research may include a larger sample which would help to generalize the study results. Further research can also consider a more comprehensive methodology to comprehend the links between variables in the study. For example, a path analysis would be critical in evaluating causal models. A more comprehensive methodology would be Structural equation modeling (SEM), as it utilizes various statistical methods to test observed and latent variables.

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Appendices

Appendix A

Invitation letter to participate in the study

Dear Entrepreneur!

I am Karel Uffert, a 3rd-year student of Business Administration at the University of Tartu, and I invite you to participate in a study that aims to compare non-family and family firms in their adoption of eWOM marketing as an example of innovation. The study is conducted within the framework of a bachelor's thesis. Data for the study are collected through a semi-structured interview. During the interview you will be asked questions about your experience in marketing and innovation.

The interviews will take place online (through Zoom or WhatsApp) between 12.04.2021 - 16.04.2021. A maximum of 45 minutes is planned for one interview.

Participation in the survey is voluntary and you have the right to refuse the interview at any time, including during the interview, and the reason for the refusal is not subject to discussion. The interviewee is not required to talk about anything that may cause him or her discomfort. The length and direction of the interview largely depends on the interviewee.

The information obtained from the interview is confidential, your name is changed and your anonymity is fully guaranteed. The study only publishes quotations that do not allow the narrator to be identified.

To avoid the destruction of the information collected for any technical reasons, the interview is recorded with two voice recorders. The recordings will be retained until the end of the research defense, after which the digital recordings and written transcripts will be destroyed.

Before the start of the interview, a form of informed consent will be signed with you, one copy of which will remain with you and the other copy with the researcher.

If you agree to take part in the study, please propose a suitable time for you. Interviewees have the possibility to see the research results after the study is conducted. Every answer is important and therefore highly appreciated by the researcher. If you have any specific questions regarding the survey or its conduct, I would be happy to answer these by phone or e-mail.

Source: compiled by the author.

Appendix B

Form of informed consent for participation in the study

Dear entrepreneur!

I am Karel Uffert, a 3rd-year student of Business Administration at the University of Tartu, and I invite you to participate in a study that aims to compare non-family and family firms in their adoption of eWOM marketing as an example of innovation. The study is conducted within the framework of a bachelor's thesis. Data for the study are collected through a semi-structured interview. During the interview you will be asked questions about your experience in marketing and innovation.

I (the name of the participant), have been informed about the above-mentioned research and I am aware of the purpose of the research and the research methodology. I confirm my consent to participate in the study with a digital signature.

I am aware that participation in the study is entirely voluntary for me and I may refuse at any time.

I am aware that the interview with me will be recorded, but the information gathered will be destroyed after the successful defense of the work.

I am aware that the information gathered from the interview is confidential and the information obtained cannot be linked to me.

I am aware that before, during or after the research, I will receive answers to the questions from the researcher.

I am aware that the informed consent form is in duplicate, one for the participant and one for the researcher.

For further questions, please contact the researcher.

Signature of the participant:

Date:

Source: compiled by the author.

Appendix C
Interview Protocol

Themes	Subthemes
Demographic details	Age, sex, experience, position in firm
Type of firm	Family or non-family
Digital strategies	Digital Omnichannel Traditional forms of marketing
Innovative methods	Radical/Incremental R&D/Open Process innovation Product/service
eWOM marketing	Attributes such as trust, homophily, strong ties and interpersonal influence

Source: compiled by the author.

Appendix D
Interview Questions

Type of question	Question	Theoretical background of the question
Structured	Gender, age, position, years of experience	Gibbs, L., Kealy, M., Willis, K., Green, J., Welch, N., & Daly, J. (2007). What have sampling and data collection got to do with good qualitative research? Australian and New Zealand journal of public health, 31(6), 540-544.
Semi-structured	What innovative methods have the firm included in their strategy? 1. Incremental 2. Radical	Coccia, M. (2017). Sources of technological innovation: Radical and incremental innovation problem-driven to support competitive advantage of firms. Technology Analysis & Strategic Management, 29(9), 1048-1061.
Semi-structured	Which digital marketing strategies has your firm included to attain competitiveness? 1. Direct marketing 2. Viral marketing	Palmer, A., & Koenig-Lewis, N. (2009). An experiential, social network-based approach to direct marketing. Direct Marketing: An International Journal.
Semi-structured	Social media is a popular strategy to achieve viral marketing objectives. What can you identify as key tactics that have been employed to fulfill the firm's marketing objectives? 1. Using interpersonal influence. 2. Strong ties 2. Homophily	Chu, S. C., & Kim, Y. (2011). Determinants of consumer engagement in electronic word-of-mouth (eWOM) in social networking sites. International journal of Advertising, 30(1), 47-75. Shan, Y., & King, K. W. (2015). The effects of interpersonal tie strength and subjective norms on consumers' brand-related eWOM referral intentions. Journal of Interactive Advertising, 15(1), 16-27.
Semi-structured	Does the firm have a research and development (R&D) department?	Chrisman, J. J., Chua, J. H., & Litz, R. A. (2004).

	1. Yes 2. No	Comparing the agency costs of family and non-family firms: Conceptual issues and exploratory evidence. Entrepreneurship Theory and practice, 28(4), 335-354.
Semi-structured	What do you think - is there any difference in the adoption of eWOM marketing between non-family and family firms?	Compiled by the author.

Source: compiled by the author.

Appendix E

Description of emerging themes to answer to innovation practices.

Theme		Description
Current innovation practices		Role of family and non-family firms
Subcategories	Description	Significant examples from interviews
Product or service innovation	Identifying how family and non-family firms adopted innovation practices due to market dynamics.	1. Service Innovation: However, we do not currently manufacture any specific product, but specialize in the handling and valorisation of raw materials with a slightly different approach. Here you may be thinking that valorisation still requires the production of something, but by valorisation I mean that raw materials must be handled properly at the appropriate temperatures, rooms, surfaces, packaging, and so on (Family firm; Horticultural, forest and garden products seller; Male; Position: CEO).
Improving Processes	The extent to which firms facilitate fast production.	1. Estonia shut down all the shopping centers, then about 99% of shopping centers were actually closed. But what we could do was that we also had our own e-center, so we were the first to take shopping malls to the e-store in principle (Non-family firm; Rental and management; male; Position: Marketing Manager).
Incremental and Radical innovation	Variety of innovation	1. As our field of activity allows us to be quite creative with our list of services, we stand out from the competition by offering various interesting service combinations or an additional service that is useful for some basic services. For this firm, flexibility is our forte and creating services based on customers' needs is crucial in gaining competitive advantage. (Non-family firm; Landscaping and gardening services; Female; Position: Marketing manager).
R&D and Open innovation	Openness to collaboration of internal investment of innovation	1. No R&D (Family firm; Horticultural, forest and garden products seller; Male; Position: CEO). 2. No R&D (Non-family firm; Rental and management; male; Position: Marketing Manager). 3. No R&D

(Non-family firm; Landscaping and gardening services; Female; Position: Marketing manager).

4. No R&D

(Non-family firm; Car dealership, Male; Position: Marketing manager).

5. No R&D

(Family firm; Retail stores & sporting equipment supplier; Male; Position: CEO).

6. No R&D

(Family firm; Scandinavian furniture seller; Male; Position: Manager).

Source: compiled by the author.

Appendix F

Description of emerging themes for digital practices

Theme		Description
Digital strategy		Role of family and non-family firms
Subcategories	Description	Significant examples from interviews
Direct or Viral Marketing	Diverging strategies based on type.	<p>1. To add something here, over the years we have worked a lot on Google Ads, including searching for the right words and synonyms that are relevant to us, the furniture industry. It has also been quite profitable, as it has contributed about 30-50% per year to the growth of online sales, and in terms of turnover, this solution accounts for somewhere around 25% of our total sales. Telephone sales, which have helped us reach older customers. For example, social media 18.77%, through newspapers 16.76%, thanks to TV advertising 4.69%, google search engine 47.86% and other media, outdoor advertising, etc. 11.93%. What else to mention is that this year we've decided to stop direct mail/e-mail marketing (Family firm; Scandinavian furniture seller; Male; Position: Regional manager).</p>
Does size of the firm matter in adopting direct or viral marketing	size of firm in relation to choice of marketing strategy	<p>1. Our company is not large enough to divide work tasks into structured units. We deal with development activities as needed, and at the moment it is not expedient to recruit separate staff for this purpose. In my opinion, the structuring and the oppression and the need for it start with 30-40 employees and a larger business, which in turn already includes large-scale production (Family firm; Horticultural, forest and garden products seller; Male; Position: CEO).</p> <p>2. It must be understood that we actually operate in the field of</p>

Types of platforms used	What are the main social media platforms you engage consumers with?	<p>commercial real estate, and one of our biggest innovations is that we see the whole thing, from a marketing point of view, through omnichannel thinking (Non-family firm; Rental and management services; Male; Position: Marketing manager).</p>
		<p>1. Facebook, Instagram, Google, YouTube (Non-family firm; Rental and management services; Male; Position: Marketing manager)</p> <p>2. Facebook, Instagram, Google Ads (Family-firm; Scandinavian furniture seller; Male; Position: Regional manager)</p> <p>3. Word of mouth marketing. Recently, we have been trying to put more emphasis on the company's coverage on social media, for example: Instagram, Facebook, influencers, magazine advertising and also radio advertising. (Family firm; Horticultural, forest and garden products seller; Male; CEO).</p> <p>4. The main social media channel where we try to be as active as possible is Facebook. We've also been thinking about creating an Instagram account, but to make it work for us, it would take a lot of commitment, and in this high season, it's very difficult for us to find the time. (Non-family firm; Landscaping and gardening services; Female; Position: Marketing manager).</p> <p>5. In our company's commercials, "Alo" embodies one of Estonia's best-known actors, which definitely adds value to this whole thing. These short videos started in 2016 and now it has grown so big that it has become a real TV series. (Non-family firm; Car Dealership; Male; Position: Marketing manager).</p> <p>6. Physical shop or e-shop. Of course, we only send these emails to clients who have subscribed to get these alerts, Social media channels such as</p>

Facebook and Instagram. Google PPC, so called pay-per-click.
(Family firm: Retail stores & sporting equipment supplier; Male; Position: CEO).

Source: compiled by the author.

Appendix G

Description of emerging themes for word-of-mouth strategies

Theme		Description
Word of the Mouth marketing		Role of family and non-family firms
Subcategories	Description	Significant examples from interviews
Interpersonal and social ties	Interpersonal influencers help to create buyer intention and social ties help to mobilize more close connections to product referrals.	<p>1. In recent years, we have also started to use more and more influencers as well as other Estonian celebrities, whose homes we have furnished and through that we received a lot of Instagram and Facebook posts and new followers as well (Family-firm; Scandinavian furniture seller; Male; Position: Regional manager).</p> <p>2. Viral Marketing: This method is, in my opinion, one of the best marketing methods, because it creates credibility for the new customer even before the transaction is made. This is one of the reasons why we have included influencers, because it has the same working principle. (Family firm; Horticultural, forest and garden products seller; Male; CEO).</p>
Trust and social ties	The role of building trust.	<p>1. Family-firms may have leverage in the sense that they usually have operated through many generations and with that they might have built a large client-base who trust the people behind the processes (Family firm; Retail stores & sporting equipment supplier; Male; Position: CEO).</p> <p>2. I compare our non-family business to another equivalent company that is based on family ties. But again for example, if our firm were family related and the ties were an important part of our vision, I might suddenly respond differently. In a sense, I also kind of believe that a strong family business image, so to speak, might be more personal or reliable for the client, and that there may be some difference in the use of this eWOM</p>

Homophily	Using familial connections for marketing	(Non-Family; Landscaping and gardening services; Female; Position: Marketing manager).
		3. Family businesses can have a certain nostalgic prestige. Some things, such as heritage, continuity, and a long history, are things that can be emphasized more in the case of family businesses, which in turn can have an impact on electronic word of mouth marketing. In my opinion, smaller, local family businesses may have certain advantages in terms of content creation and reputation building (Non-family firm; Car Dealership; Male; Position: Marketing manager).
		<hr/> <p>1. We think family businesses have a small advantage in some ways, precisely because I think family businesses have their own story and history to tell, which touches more and more peoples' hearts (Family firm: Horticultural, forest and garden products seller; Male; CEO).</p> <p>2. Maybe our group is a very good example. As we make fun of ourselves within a group, we aren't exactly a family firm but maybe a kind of semi family company. For example, the marketing manager of one of our markets is the daughter of the owner, and so on. There are also a lot of family topics in our group. But I think marketing offers such a wide range of opportunities that maybe it's nice that you can communicate family values (Non-family firm; Rental and Management services; Male; Position: Marketing manager).</p>

Source: compiled by the author.

Appendix H

A table describing the number of times each theme and subtheme occurred in the WebQDA platform statistical sequence.

Name	Refs	Sources
Current innovation practices		
Product and service innovation	6	2
Process innovation	5	6
Radical and incremental innovation	14	3
R&D or open innovation	7	1
Social media marketing		
Direct or viral marketing	12	5
Size of the firm	4	4
Facebook, Instagram, Twitter, and YouTube combinations.	14	6
Word of Mouth Marketing		
Using strong ties or interpersonal Influencers.	4	2
Role of trust	6	2
Homophily	3	3

Source: compiled by the author.

Resümee

KUIDAS PERE- JA MITTE-PEREETTEVÕTTED INTEGREERIVAD ETTEVÕTLUSTE GEVUST, VÕTTES NÄITENA INNOVATSIOONIST OMAKS EWOM TURUNDUSE

Karel Uffert

Turundusmeetodite praegune levik veebidomeenides on andnud eeliseid väikestele ja keskmise suurusega ettevõtetele. Nii pere- kui ka mitte-perefirmade jaoks on turundus äriliste kavatsuste konkurentsivõime suurendamiseks ühtmoodi ülioluline. Seega võrreldakse selles uuringus, kuidas pere- ja mitte-pereettevõtted uuenevad, mis on turundusstrateegiates tugevalt määrav tegur, kas ettevõtte otsustab uuenduslikkuse kasuks. Need valikud mõjutavad lõppkokkuvõttes eWOM turundust kui uudset turundusstrateegiat läbi erinevate omaduste, nagu tugevad sidemed, usaldus, inimestevahelised mõjud ja homofiilsus. Uuringus märgitakse, et ettevõtjad on innovatsiooni keskmes, kuna nad peavad leidma loomingulisi meetodeid kasumi teenimiseks. Seega on see leiutis ettevõtluses ülioluline element. Pere- ja mitte-pereettevõtetel on siiski erinevad sotsiaalsed, inimlikud ja turunduslikud omadused, mis määravad veelgi täpsemalt, kuidas iga ettevõtte uueneb ja valib lõpuks turundusvõtteid.

Töös kasutati kvalitatiivset uurimiskava ja andmete analüüsimiseks induktiivset kodeerimist. Kuuest vastajast koosneva valimi põhjal viis autor läbi poolstruktureeritud intervjuud, mis hiljem transkribeeriti ja sisestati WebQDA temaatilise analüüsi platvormi, et teha tuletatud teemade varjatud analüüs. Autor kontrollis täpsust, kasutades vastaja valideerimismeetodit, saates tõlgendatud ja kokkuvõtlikud tulemused üksikutele osalejatele uuringu tulemuste kinnitamiseks ja autentimiseks. Selles andmekogumise etapis parandasid osalejad ka autori arusaama. Tõlgendatud leiud soodustasid küllastatuna täpsust, eriti kui järeldused olid valimiteüleiselt ühtsed.

Uuringust selgus, et nii pereettevõtted kui ka mitte-pereettevõtted olid teenindusettevõtted ning seega olid teeninduse ja protsesside uuendused kõigi ettevõtete jaoks hädavajalikud. Pereettevõtted integreerisid siiski suurema tõenäosusega radikaalset ja avatud innovatsiooni kui mitte-pereettevõtted, kes tuginesid inkrementaalsele innovatsioonile. Uuringust selgus ka, et pereettevõtted kasutasid rohkem sotsiaalmeediakeskseid turundusstrateegiaid kui mitte-pereettevõtted, välja arvatud üks pere, kes märkis teiste otseturunduse meetodite ja tavapärase turunduse, näiteks reklaamikampaaniate olulisuse. Kõik mitte-pereettevõtted sõltusid aga mitmekesisest turundusstrateegiast, mis ei keskendunud sotsiaalmeedia turundusele. Kõige tähtsama aspektina näitas uuring, et ainult

pereettevõtted kasutavad eWOM käitumise parandamiseks usaldust, tugevaid sidemeid, inimestevahelist mõju ja homofiilsust (perekondlikud sidemed). Selle tulemusena leiti selle uuringu käigus olulisi erinevusi selles, kuidas pere ja mitte-pereettevõtted turundust uuendavad ja kaasavad.

See töö täidab märkimisväärse uurimislünga, kuna pole uuringuid, mis käsitleksid, kuidas pere- ja mitte-pereettevõtted kasutavad eWOM turundusstrateegiaid uudse turundustehnikana. Uuring täiendab ka olemasolevaid uuringuid, kinnitades uuenduslike turundusstrateegiate olulisust, näiteks sotsiaalmeediaturundus, kasutades sotsiaalset, turundus- ja inimkapitali. Seega on see uuring praktikute jaoks väga oluline. See näitab, kuidas ettevõtted saavad kasutada tugevaid sidemeid, usaldust, inimestevahelist mõju ja homofiilsust, et muuta ettevõtte dünaamilisemas ärikeskkonnas konkurentsivõimelisemaks.

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10/05/2021