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## **Introduction and Historical Perspective**

The marketing/entrepreneurship interface has developed a substantial body of literature over the last decade. Marketing has much to offer the study of entrepreneurship (Murray, 1981; Hills, 1987) and likewise entrepreneurship can look to marketing as the key function within the firm, which can encompass innovation and creativity. Omura et al. (1993) perceive the interface between the two disciplines as having distinct areas of both difference and overlap. The differences are between traditional marketing which operates in a consistent environment, where market conditions are continuous and the firm is satisfying clearly perceived customer needs and pure entrepreneurship which operates in an uncertain environment, where market conditions are discontinuous and the needs of the market are as yet unclear. The overlap exists in two areas; one where market conditions are continuous and entrepreneurship aids the process of identifying as yet unperceived needs and secondly in a discontinuous market where entrepreneurship guides marketing strategy to develop existing needs in a new environment. In essence these researchers perceive the Interface as focusing on identifying opportunities in a changing environment.

In our opinion, marketing and entrepreneurship have three key areas of interface: they are both change focused, opportunistic in nature and innovative in their approach to management. Carson et al. (1995) perceive the central focus of the interface as being change. Kuratko (1995) in describing today's entrepreneur as: an innovator or developer who recognises and seizes opportunities, converts those opportunities into workable/marketable ideas, adds value through time, effort, money or skills, assumes the risks of the competitive marketplace to implement these ideas and realises the rewards from these efforts. highlights the importance of change as one of the key drivers in entrepreneurial activity. Many of the actions undertaken by the entrepreneur are key concepts in marketing theory, which suggest that successful marketing is undertaken by firms who identify new opportunities, apply innovative techniques to bring the product/service to the marketplace and successfully meet the needs of their chosen target market. Again the central element of managing many activities in a fluid, changing environment is stressed.

If we accept three key areas of the marketing/entrepreneurship interface as being change focused, opportunistic in nature and innovative in management approach, this has implications for education. Specifically, this suggests that curricula are adequately developed to encourage students to learn how to deal with change, identify viable opportunities and develop their innovative skills. The business education literature suggests however that educational institutions are still some way from appreciating the entrepreneurial role of marketing and incorporating this within the curriculum (O'Brien and Hart, 1999).

The historical development of entrepreneurial marketing has evolved over two decades. Early work in the area focused on the issues associated with the overlap between conventional marketing theories and those advocated by entrepreneurship. Much of this research was conducted in the USA and focused, as outlined previously, on two distinct disciplines merging in areas of common interest. (Hills, 1987; Omura et al., 1993). As this area of research has expanded researchers have extended their work into not only the theoretical development but the practical applications and implications for entrepreneurial marketing in the workplace and in the educational environment (Carson and Cromie, 1989; O'Brien and Clark, 1997; Shaw, 1998). The early 1990s saw the establishment of both US and European groups of academics working in the areas of the interface between entrepreneurship and marketing. This interface between the two disciplines has now developed into a key focus of research within mainstream marketing research. These developments have seen the range and nature of research studies expand, with areas such as creativity, networking, strategy and educational issues now included. Research studies in the early twenty-first century are focusing on the key issues associated with applying entrepreneurial marketing techniques in industry, whilst also investigating educational practices which will enable students to be skilled in an entrepreneurial marketing firm (Collinson and Quinn, 1999; Robson, 1996).

### An entrepreneurial focus to marketing

#### Entrepreneurial culture

In discussing the area of entrepreneurial marketing, we must be cognisant that it is not something which only applies in the small firm scenario. As can be appreciated from the description of an entrepreneur given above by Kuratko (1995), entrepreneurship is an area, which is relevant to both large and small firms. The reasons why it is so often associated with small and medium enterprises is that, firstly entrepreneurial activity is often more visible in the smaller firm and secondly, when firms experience

growth it can be difficult to sustain an entrepreneurial focus in a multilayered management structure.

Given the difficulty in identifying truly entrepreneurial large organisations, the majority of the research is in the domain of the small firm sector, but increasingly larger organisations are developing this approach. Small firms are however intrinsically different in make-up from the larger counterparts. These basic differences affect the planning process, the management structure and the way in which marketing is implemented (Carson et al., 1995; Carson and Cromie, 1989; Liu, 1995; Stokes, 1995). In addition to the organisational structure, the entrepreneurial personality has a direct effect on the way in which management is undertaken (Chell, 1986). Entrepreneurs, by their nature, will focus on various opportunities at once and are not easily convinced by the sequential, structured approach to management, which is the focus of most management/marketing texts (O'Brien and Hart, 1999).

Following on from the early focus on the entrepreneur, researchers at the interface have attempted to ascertain changes in entrepreneurial activity over a firm's life cycle, by measuring the entrepreneurial effort in management activities coupled with the entrepreneurial scenario faced by the firm. This enables the entrepreneurial personality to be seen in the context of the firm and relevant industry. The term "entrepreneurial effort" has emerged. The term "entrepreneurial effort" encompasses a number of characteristics, namely energy, zeal, commitment, determination, persistence, opportunity and focus, which are exhibited by the entrepreneur or management team. The entrepreneurial scenario is characterised by the perceived level of risk facing the firm, the available resources and the individual's need for skills, knowledge, experience and personal independence. In combining these two sets of criteria the return on entrepreneurial effort can be ascertained. This reflects the degree to which the venture develops and grows over time as a consequence of the entrepreneur's efforts and changing circumstances (Carson et al., 1995).

One of the key problems facing small firms is that as they grow it can be increasingly difficult to maintain the same level of entrepreneurial effort as was expended in the initial stages of the firm's life. In addition to this barrier, it is a natural tendency to veer towards activities that reduce levels of risk and consolidate the firm's position.

Recent research studies have investigated how growing firms manage their entrepreneurial marketing activities and how these change over time. Growth issues and the subsequent impact on

resources and skills requirements is a key area of current research in entrepreneurial marketing activity (Collinson and Quinn, 1999).

However, as mentioned previously entrepreneurial marketing is not solely the domain of the small firm. Many large organisations can be entrepreneurial in their approach to marketing activities. Take for example Richard Branson, whose organisation, Virgin, spans many industries and is constantly entrepreneurial in its outlook to identifying new market opportunities and developing these. It must be stated, however, that in many cases it needs a very entrepreneurial leader within the organisation to maintain this managerial focus and culture.

### Entrepreneurial management

As it is only recently that the marketing/ entrepreneurship interface has been recognised, there is a scarcity of literature within mainstream marketing texts which considers how entrepreneurial marketing can be managed. This is despite the reality that for many small and entrepreneurial organisations, entrepreneurial marketing is something that has long been practised and for many is something which is "second nature". This is not to suggest that the management of entrepreneurial marketing has not been considered. From the growing body of literature on the marketing/ entrepreneurship interface, a number of themes relating to the management of entrepreneurial marketing can be identified. The first of these is that the process of managing entrepreneurial marketing differs from the process of managing regular approaches to marketing. One key reason for this is that where entrepreneurial marketing is practised, it commonly takes place within a fluctuating and changing environment which restricts opportunities for engaging in the marketing planning process, typically adopted when planning regular marketing activities (Carson et al, 1995). Within such environments, if time is taken to engage in a rigorous planning process, by the end of that process it is likely that market conditions will have changed sufficiently to render any decision resulting from this process as no longer relevant. Instead, the management of entrepreneurial marketing involves a shorter decision-making process, which is often preceded by little formal planning.

A second theme considers the position which marketing holds within the organisation. Within entrepreneurial organisations marketing tends to be adopted as the guiding organisational philosophy and the organisation orientates its activities around the customer and marketplace. It can be argued that entrepreneurial organisations are characterised by their marketing orientation, even though they often do not have an identified marketing department and individual

responsible for the marketing function. This is because for entrepreneurial organisations, a closeness with the marketplace, often made possible by their smaller size, leads to a keen sense of customer needs, wants and demands without the need for investment in expensive and time consuming market research or designated marketing departments (Stokes, 1995).

Related to this a third theme can be identified. Within entrepreneurial organisations, an informal rather than formal approach is often adopted to the management of marketing. This can be explained by commitment at an organisational level to understanding, anticipating and responding to the needs of a constantly changing marketplace. Within such an organisational context the need to manage the process of marketing becomes less necessary as marketing becomes an activity owned and managed by the whole organisation (Stokes, 1995).

### Entrepreneurial competencies

The differences between entrepreneurial and regular marketing suggest a number of implications for the managerial competencies required. The management of regular marketing can be characterised by a careful planning process which is informed by market research to guide the selection of target markets and the composition of a marketing mix with which to position products competitively within the marketplace. Consequently, the competencies which it requires include planning, rigour and familiarity with statistics and figures. In contrast, as has been described above, the management of entrepreneurial marketing is characterised by intuition, informality and speed of decision making, all of which require different competencies. This area of entrepreneurial competencies has received increasing attention from researchers working at the interface, since the late 1980s and has developed concepts in marketing education which are more suited to the entrepreneurial marketing scenario (Carson and Coviello, 1997; Cunningham, 1997).

Management competency has been defined by Boyatzis (1992) as:

... an underlying characteristic of a person, which results in effective and/or superior performance in a job.

Many of the competencies associated with entrepreneurial marketing are closely linked into the characteristics typically associated with entrepreneurs. These include such attributes as being innovative, not averse to taking risks, creative, adaptable and being very task oriented. Additional characteristics associated with entrepreneurs include being change focused in their approach to

management and being opportunistic in their behaviour in the marketplace. Drucker (1973) suggests that entrepreneurial innovation will be as important to management in the future as the managerial function itself is today. He suggests competencies also include lateral thinking and forward thinking, which means building up something new as opposed to analysing something old. The literature covering entrepreneurial characteristics is wide and varied and some would suggest that the setting and culture in which an entrepreneur applies these competencies is just as important as their personal characteristics.

Carson et al. (1995) identify four key competencies associated with entrepreneurial marketing management:

- 1 experience of both the industry and the job;
  - 2 knowledge of the product and market;
  - 3 communication skills in being able to direct the organisation; and
  - 4 sound judgement in being able to identify good market opportunities or key appointments in personnel,
- supported by high levels of perception and intuition.

As can be appreciated from the above, the types of competencies required are intangible and not easily acquired over a short period of time. The challenge facing firms attempting to adopt an entrepreneurial approach to their marketplace is how to harness and develop these competencies and ensure that they are managed in a supportive environment. Traditionally, training for management has focused on the tangible, more readily measurable competencies of knowledge and skills such as judgement and intuition are perceived as secondary. With the entrepreneurial marketer, a wider range of skills and competencies requires to be developed. This also has implications, not only in managerial training in industry, but also within higher education, here again the focus has been traditionally on acquiring the knowledge base but what have been loosely termed as transferable skills, have been given less importance in the curriculum development. This scenario is gradually changing but awareness of the importance of this wide range of competencies is still low.

Another key challenge for entrepreneurial marketing firms is that of growth. Many firms when small find it relatively easy to harness the entrepreneur's strengths and put them to good use in developing new contacts and servicing customers. One of the problems associated with growth is that the entrepreneur will very often t



caught up in the day to day management of the firm, which is now a more complex organisation. Given the key competencies discussed earlier, firms must ensure that the culture within the organisation remains entrepreneurial in its focus, through enabling such skills as judgement and intuition to play their part in management. Being creative or innovative should not be something only expected of those involved in new product development, but should be competencies deemed essential throughout the firm. Research in entrepreneurial marketing has more recently focused on ascertaining the impact of training schemes to aid small firms to manage their growth in an entrepreneurial setting (Collinson and Quinn, 1999).

There have been a number of government sponsored initiatives in the UK directed towards the small firm sector, which have concentrated on developing both owner manager learning and extending the skills base within the firm. Within these schemes, a number have concentrated on developing small firm links with the university sector and encouraging SMEs to employ a larger number of both students and graduates. These include the Teaching Company Scheme, Graduate into Business and Profit Through Knowledge, to name but a few. Empirical research investigating the benefits of such schemes on competency development have highlighted that graduates can play an important role in the small firm. Typically, they provide a useful source of ideas, an objective viewpoint to the strategy being adopted and can often suggest alternative approaches to problem solving (O'Brien and Clark, 1997). In addition to these benefits, research has also shown that those within the firm extend their competency base, through introduction to other management skills and closer links with academic establishments (Collinson and Quinn, 1999; Robson, 1996).

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

constantly changing environment is relevant to their success and must be regularly collected and understood.

Within this context, networking competencies are essential to the ability to develop and manage a diverse network of relationships. The whole area of networks and managing these networks is now central to the literature in entrepreneurial marketing, in both its theoretical development and practice.

Networking: an entrepreneurial marketing tool

The networks within which entrepreneurs and their organisations are embedded have been found to provide accurate information and advice, which can be used to take market decisions and evaluate the validity of these decisions. For example, entrepreneurial organisations have been found to access information about customers from their networks and use this information to improve their pricing structures and tailor their communications (O'Donnell and Cummins 1999; Shaw, 1998). One reason explaining why these networks contribute to the marketing effectiveness of entrepreneurial organisations is that when lacking market information and knowledge, such organisations often make use of their personal contact networks to provide them with the market information and advice they need if they are to develop their business further and progress throughout the entrepreneurship process (Carson et al., 1995). A second reason relates to the restricted time and resources which entrepreneurs and smaller sized entrepreneurial organisations have available to them. As entrepreneurs rarely have the time, resources or the inclination to purchase market research reports or seek the advice of business advisers, they often glean market information from their personal contact networks, typically when undertaking other activities, such as liaising with suppliers. Simply put, for many entrepreneurs the conversations they have with people they interact with on a regular basis while running their business, constitute the market scanning which they undertake and use to keep them informed and up to date about conditions and changes in their market. Related to this, an important finding of such research is that the information and advice provided to entrepreneurs from their networks is trustworthy, reliable and can be acted upon (Hill and McGowan, 1997). An important reason for this is that individuals providing this information and advice have been found to share more than an instrumental relationship with the entrepreneur and/or their organisation. More commonly, they share not only information and advice but also friendship and trust. Where entrepreneurs have been found to share this type of "multiplex" relationship, they are provided not only with easy, regular access to market information

and advice, but also with information and advice which they are able to trust and therefore do not have to spend time validating.

While it has been established that many entrepreneurial organisations do not conform to the marketing strategies practised by their often larger, more inflexible competitors, research has found networks to contribute to the product, pricing and promotional decisions of entrepreneurs. By accessing market information from their personal contact networks, entrepreneurs are able to keep informed about and identify market opportunities and respond to these in innovative ways, often involving the development and introduction of new products. Related to this, once demand for a product or service is established by an entrepreneur, research has revealed that by fostering informal relationships with customers, products can be continually reviewed and modified to ensure that they consistently meet the needs, wants and demands of their customers. Given the importance of networks and successful networking to entrepreneurial marketing, this area is likely to be the focus of many future research studies.

## Conclusions

This article has aimed to provide the reader with an insight into the historical roots and development of entrepreneurial marketing and where current theory lies. In essence, this area of research has emerged from two key management disciplines, namely entrepreneurship and marketing. Early research focused on developing this overlap and investigating how both areas could benefit from each other. Development of entrepreneurial marketing has expanded to include areas such as creativity, networking, strategy, impact on education and growth issues. Current research uses primarily qualitative approaches to understand how entrepreneurial marketing techniques are being adapted in the workplace.

If entrepreneurial marketing is to be successfully adopted by a firm, it requires that the organisational culture is such that it supports a different style of management from the very structured and rural approaches often advocated in the management literature. It also requires additional competencies to those perceived as key in successful management. As Drucker, as far back as 1973, indicated a different perspective requires to be adopted with regards to skills such as judgement, creativity and innovativeness. This presents a challenge to both education and industry training institutions. The key skill of networking is crucial to any firm adopting an entrepreneurial orientation towards its marketplace and it is in this area particularly that a good deal more research requires to be undertaken, in order to understand exactly how successful

entrepreneurs utilise their net working skills to grow successful companies. The future of entrepreneurial marketing research is currently developing many of the areas discussed in this paper and also focusing on the area of e-marketing and how this is best managed in the entrepreneurial firm.

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