Research at the Marketing/Entrepreneurship Interface

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INTRODUCTION

This paper contributes to developing research enquiry relating to research at the Marketing and Entrepreneurship Interface (MEI) from the small and medium-sized firm (SME) marketing perspective. The paper presents findings emanating from a digital destinations project based on the south coast of England and a new, ongoing project on implementing digital marketing strategies in the context of small owner-managed firms. This area of research advances knowledge in several areas and is significant to the developing research of Entrepreneurial Marketing (EM) for a number of reasons. Firstly, there are still gaps in knowledge relating to the study of entrepreneurs (Li, 2008; Thomas et al., 2011) and the challenges associated with use of digital marketing and social media, including Twitter, Facebook etc. (Kim et al., 2011; Peltier et al., 2012). In addition there are reported difficulties with the embedding of e-marketing in SMEs for a number of reasons, notably employee resistance, a lack of technological ‘know how’ (Leeflang et al., 2014; Martin & Matlay, 2003) and, a lack of marketing competency, along with all the other associated limitations of a small business (Xiang & Gretzel, 2010) such as lack of finance, lack of business resource (Thompson et al., 2013). Third, these firms are geographically remote, in a rural region where they are situationally embedded and dependant on the overall effectiveness of destination marketing and where small tourism businesses often rely on a range of stakeholder relationships and agents to help promote their businesses via traditional (administrative) marketing approaches (Getz & Carlsen, 2005). Rurality also creates additional challenges with weak transport links and poor Internet connections while coastal tourist visits are often dependent on good weather and influenced by seasonality (Getz & Nilsson, 2004). Finally the fourth key challenge for entrepreneurs is detecting who they need to target their marketing towards, as digital marketing offers entrepreneurs an unbridled opportunity to market globally.

Past researchers (Harrigan et al., 2011) have highlighted the role of digital marketing as a support mechanism for entrepreneurs to use in developing and strengthening their relationships with customers. This makes sense for entrepreneurs with firms which are embedded in local networks with customers who are geographically situated close to them. It is much more challenging for tourism sector entrepreneurs to find, identify and attract potential customers who are likely to be situated either much further away within their own country or overseas. The following key issues specific to tourism SMEs are outlined below:

- Customers require a much higher level of trust when booking a tourism visit experience rather than a product as it is intangible in nature. Customers are reliant on either referring to brochures, often from marketing intermediaries like regional tourism marketing boards or larger tourism companies or increasingly, more directly via websites and other digital media. The tourism digital market is also dominated by large players (intermediaries) who are able to invest significant funds into marketing and promotion activities via digital marketing approaches.
- It is challenging for tourism entrepreneurs with limited business resources to evaluate new opportunities in the tourism market because it is difficult to carry out extensive market research to locate specific customers or segments of customers who are most likely already predisposed to visiting the specific type of tourism destination and take part in the ensuing type of activities on offer during their visit, in this case the Jurassic Coast in Dorset, England.
- It is much more difficult for the tourism entrepreneur to maintain customer relationships without significant investment in digital resources and a marketing team. Keeping in touch with the customer after they have visited and encouraging repeat business is difficult because of the physical distance involved between the entrepreneur and the customer.

Next, this paper next presents the relevant literature on EM, SME marketing, tourism and, digital marketing. The study background of the tourism project from which the data for this paper is extracted is described. Then, the findings relating to one key case study business and one entrepreneurial owner-manager involved in the project is analysed and discussed. While general data from the project provides critical insights in respect of the whole sample of SME tourism firms, only
one case study is discussed as a key example, so as to allow for deeper focus and discussion as to the value creation outputs pertaining to this business. Findings are then discussed in relation to the extant literature, before conclusions are reached.

LITERATURE REVIEW

Entrepreneurial Marketing and SME Marketing in the Tourism Industry

The tourism research discipline offers a unique and highly relevant context within which to study entrepreneurs, EM and SME marketing. Very little research on tourism entrepreneurship and enterprise creation has been published, despite the significant contribution of tourism to regional territories and countries globally http://www.wttc.org/research/economic-research/economic-impact-analysis/ (date accessed 09/08/2015). Tourism indirectly generates more than 10% of the European Union's GDP and provides about 12% of the labour force; over 90% of the European Tourism sector comprises SMEs, of which the majority employ less than 50 people.

Authors who have considered the role of entrepreneurship in the tourism industry include Getz and Peterson (2005) who studied growth and profit-oriented entrepreneurship among family business owners in the tourism and hospitality industry. They noted the role of entrepreneurial owner influence and their motivation towards profit and growth in a two resort study. Family values and rural challenges were also examined by Getz and Carlsen (2005); they noted the entrepreneur’s influence on the firm, motivation, their lifestyle choices and autonomy, similar to the mainstream SME marketing and entrepreneurship literature on new and growing enterprises in a variety of sectors. Gertz and Peterson however, studied a wider range of themes to include life cycle stages, the issues of seasonality, culture and gender issues such as the difference between male and female entrepreneurs.

Kompulla (2014) carried out an in-depth case study of a tourism destination based in Finland from a micro enterprise, network and developing competitiveness in a rural region, context. Her study highlights the roles of entrepreneurial activity, cooperation between other businesses in the region and the Destination Marketing Organisation (DMO), providing a digital framework which highlights market intelligence capabilities and responsiveness to changes in demand.

The study of EM, entrepreneurs and customer relationships (Stokes, 2000; Morrish et al., 2010) and the entrepreneurial and SME networks (Shaw, 1999), personal contact networks (PCNs)(Carson et al., 1995) and network marketing literature (Jones, Suoranta and Rowley, 2013) to name but a few, has been overlooked in the tourism body of literature. Yet it provides substantive, useful and relevant theory and frameworks to support research investigation of tourism SMEs, and effective destination management, through initiatives which would provide new and increased popularity through tourist visits and; support growth initiatives involving networks of firms, both small and large. In the small business context, customer relationships and marketing activities, entrepreneurship and innovation are intertwined (Jones and Rowley, 2011). Successful implementation in SMEs may result in greater customer orientation, characterised by increased ‘value creation’ activity, viewed as a central element of EM and an entrepreneurial marketing characteristic (Bjerk & Hultman, 2002; Hills & Hultman, 2006); by understanding more effectively the value the customer seeks from the tourism SME’s offer.

The embedding of digital marketing in the firm enables strengthening of customer relationships for which the entrepreneur is often already adept (Harrigan et al., 2011). This is normally face-to-face and marketing by ‘word-of-mouth’, however for marketing of destinations, e-marketing and electronic ‘word-of-mouse’ for geographically distant customer markets is particularly advantageous. Customer insights driven from digital data also create new opportunity for entrepreneurs to enhance their knowledge of customer and, they will have more means at their disposal in the form of competitive information (what they know). Importantly, this will allow entrepreneurs to take control of their future by shaping it rather than trying to predict it (Sarasvathy, 2001).

Digital Marketing

Digital marketing offers new opportunities for SMEs and in particular, tourism SMEs, who now have the potential to access increased opportunities to innovate on an unprecedented scale. For example: how SMEs define target markets, as digital marketing offers an unparalleled access to information at a granular scale, which can redefine the ways in which
customer segments are created using free-to-use web-based tools such as Followerwonk (https://followerwonk.com)(date accessed 09/08/2015). This allows the user to enter any person or brand’s Twitter handle and analyse their followers. It also includes a rating of their ‘social authority’ on a scale of 1-100 that enables the business to identify and, crucially, to engage directly with a segment of influential followers. This represents significant innovation in digital market segmentation. There are also opportunities to embed digital marketing and insight throughout the firm in order to facilitate on-going innovation. For example, customer engagement through digital channels generates an immediate flow of data back to the firm in the form of ‘web analytics’ which can provide the firm with insight into which products, services, offers, campaigns, etc. are successful. An effective ‘test and learn’ strategy enables constant product/service innovation, which can facilitate cost effective growth strategies and operational efficiencies (Hoffman, & Novak, 2011).

El-Gohary (2012) calls for the need to build theory in e-marketing, however while Internet or digital marketing may be considered a field of marketing (Pomirleanu, Schibrowsky, Peltier, & Nill, 2013) the fundamental tenets of marketing hold true regardless of whether it is so-called ‘traditional’ marketing or digital marketing (Alford & Page, 2015; Chaffey, 2010; Wymbs, 2011). Is digital marketing really a new paradigm or a means for returning to what marketing is all about - a customer focus which affords us the opportunity to co-create value for mutual benefit (Vargo & Lusch, 2004, 2008). Rather than focusing on what the technology can do, this paper concentrates on what the business owner can do with the technology in order to be entrepreneurial and innovative and to unlock value which resides in different areas (Chaffey & Patron, 2012).

**METHODOLOGY**

The methodology for this study began with qualitative research emanating from an action learning project with a sample of 60 SMEs on a Digital Destination Project funded by ESRC at Bournemouth University. The overarching aim of the project was to ‘Capture change in the adoption and use of digital technologies by small visitor economy businesses to enable them to engage more effectively with existing and new customers and develop a strong, competitive local tourism economy’. For the detailed output from the project see Alford & Page (2015). Subsequently another linked project, Digital Transformation, with a smaller number of participating SMEs is currently taking place. During both projects owners and managers of SMEs have been filmed and interviewed and studied. For the ongoing project, individual interviews have been carried out with entrepreneurs and data from owner-managers has been used as a distinct sample (see Table 1 for details of sample), as participant replies were different for those who were owner-managers than those who were employee managers.
Table 1: Profile of Owner-managed Businesses

<table>
<thead>
<tr>
<th>Case</th>
<th>Business type</th>
<th>Employees FT &amp; PT</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acorns of Lyndhurst</td>
<td>Bed &amp; Breakfast</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Bennetts Water Gardens</td>
<td>Retail/restaurant/online sales/public garden</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Daisybank Cottage</td>
<td>Bed &amp; Breakfast</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Discover Dorset</td>
<td>Sightseeing tours</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>Hotel Terravina</td>
<td>Hotel and restaurant</td>
<td>35</td>
<td>8</td>
</tr>
<tr>
<td>Splashdown</td>
<td>Tourist attraction</td>
<td>45</td>
<td>25</td>
</tr>
<tr>
<td>Longpuddle</td>
<td>Bed &amp; Breakfast</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Pioneer Expeditions</td>
<td>Tour operator</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Surfsteps</td>
<td>Watersports centre</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Norburton Hall</td>
<td>Self catering cottages</td>
<td>1</td>
<td>10</td>
</tr>
</tbody>
</table>

Motivations were different, and knowledge of the whole business was limited for managers. Data was extrapolated from a number of sources including interviews via Skype, workshops convened at the university, application form to join Digital Destinations and online posts. Interview findings were summarised and presented to participants and feedback was obtained as member checking is a method of improving content validity (Carson et al., 2001). Data was coded and analysed using NVivo software. For the purposes of explaining the interaction between the entrepreneur and use of digital marketing in a tourism business one case study firm was chosen for this paper, Norburton Hall.

FINDINGS

General Data from the Project

Tourism SME owners (entrepreneurs) have a range of goals, (personal and business are often intertwined) which more effective digital marketing can help to facilitate. There are also concerns about business sustainability and growth (customer acquisition and retention and combating seasonality), innovative marketing through digital media and autonomy (reducing dependency on intermediaries for marketing), personal development (satisfaction in mastering digital marketing and technology) and profitability (more effective and efficient marketing). Tourism entrepreneurs face a number of organisational challenges which affect sustainability and growth of their business. A significant issue facing entrepreneurs in tourism SMEs is the dominance of large online intermediary businesses, for example Booking.com which increase the cost of marketing for SMEs significantly. Entrepreneurs in this sample are reluctant to use such powerful intermediaries who are perceived by entrepreneurs to be ineffective, creating indirect links between the entrepreneur and his or her customers and unresponsive to the entrepreneur’s needs.

Social media issues for these entrepreneurs include being overwhelmed by speed and choice, with entrepreneurs having a ‘me-too’ attitude rather than using informed marketing planning activity. They also have difficulty measuring the impact of their marketing activities but in general they recognise that some impact related to use of social media is for the long term and cannot always be measured by immediate sales or bookings. Entrepreneurs in this sample feel the need to gain competency in using social media and as yet are unsure of its usefulness and application. A key finding is that these entrepreneurs want to be able to assess the return on investment (ROI) for their efforts, i.e. the balance between time taken to use social media and being able to measure the effectiveness of marketing using social media.
The study revealed that value resides in three key areas - the owner, networks and customers - in a small business and that the adoption of marketing technology, coupled with support and facilitation, has a key role to play in unlocking that value. This section discusses that value in the case of Norburton Hall, through the eyes of its owner, Karen Venn.

The Case Study - Norburton Hall

Norburton Hall is a collection of 5 holiday cottages located on the Jurassic Coast in southern England. It is a year-round business however its peak months are from April through to October and a significant challenge facing the business is to attract customers in the ‘shoulder months’. The owner, Karen, joined the Digital Destinations study in October 2012 and has been engaged with the university through to the present time.

Comments made on her application form to join the DD study in October 2012 reveal Karen’s uncertainty and her lack of knowledge: “I don’t know what I don’t know” and “I tend to use gut instinct rather than hard facts”. However other comments on the application form indicate greater insight, than those above suggest, recognising the importance of being able to evaluate her online marketing: “I am keen to expand my knowledge and to measure effectiveness” and “I would like to set up something that would measure and automatically report the success of our different online channels”. This frustration at not knowing how to measure her marketing is revealed further during the first meeting of her cluster group:

“And that was the question I had really about the best way to measure Twitter, because there's loads of stuff that's going out there and we've got more followers on Twitter than we have on Facebook but I don't know how to measure the Twitter followers and the success of tweets”

Applications including Followerwonk (https://followerwonk.com) (date accessed 09/08/2015) and True Social Metrics (TSM) (www.truesocialmetrics.com) (date accessed 10/08/2015) will allow small business owners to analyse and evaluate their Twitter followers and activity in detail. For example a review on TSM of Karen’s activity on Twitter revealed that the majority of her tweets do not result in any form of engagement (retweets, favourites, comments). However an analysis of those tweets that secured the highest engagement revealed one ("Dorset - where celebrity chefs are flocking" Beautiful English coastline packed with foodie delights http://dailym.ai/1ISj9f5 via @travelmail), that was favourited by three people including @ChowHoundGTA, a Toronto-based account, with 11.5k followers, whose description includes: “Bringing you the best food and drink reviews, restaurant happenings, recipes, and foodie links”. Karen expressed an interested in targeting the North American market with niche products and this insight provides an opportunity to engage directly with a key online influencer in the area of ‘foodie tourism’. However crucially this is not just a matter of technical competence but also of mindset, whereby Karen recognises the inherent opportunity. It also underlines the need for small business owners to be effectual in their approach and to be prepared to use the means at their disposal to realise new goals and sources of value. This is an approach that Karen is clearly comfortable with: “We intend to set objectives that relate to our digital activity but one of the joys is not being entirely sure where the journey will take us” and “it’s a bit like the house that Jack built, start doing something small and then you just add on what you can do”. In this instance, there is an opportunity for Karen to add @ChowHoundGTA to her network, thereby expanding her means (who she knows). This could lead her into a niche market - foodie tourism - that she may not have originally envisaged but was enabled by marketing technology adoption. The added advantage of digital marketing is that it is does not take a large time or financial investment to create digital content around a particular themed experience.

The use of social media has also been instrumental in Karen expanding her local network of partners that can add value to her product offer:

“Something that has happened to us is this week is that because the house [NBH] is an arts and crafts house, there's a local company called Sitting Spiritually and they make handcrafted swing seats and benches, and things like that. They've been commissioned by the RHS [Royal Horticultural Society] to make a centenary bench which will be at the Chelsea Flower Show. And they want to photograph it where - they might be doing it now because they're waiting for some nice weather - they wanted to do it in our grounds. So that's really nice and that came about because of our links and knowledge through Twitter. So for me, Twitter's not just a one-way thing, I'm learning a lot about our market through it as well.”
It is interesting that Karen refers to Twitter as two-way channel that allows her to develop knowledge and expand her network. Indeed this is the essence of social media as a means to engage in conversations and be social.

The type of insights referred to above have implications for how small businesses approach market segmentation in a digital age. Karen demonstrates a competent, if somewhat traditional, understanding of segmentation:

“It’s mostly in like life stages really. We’re looking at ... our major markets are either professional people who are stressed out and want to escape London and come to the countryside. And then others are newly retireds, so empty nesters that are looking to enjoy life again, their freedom. And things that people would be interested in will be say like good food or the natural environment, architecture, some culture, those sorts of things as well”

However the challenge in an increasingly competitive digital landscape is how to attract these customers. Traditional approaches to market segmentation, adopting causal reasoning, would advocate targeting a segment and assembling the means to reach that segment - which may involve, in a digital context, embarking on a keyword strategy to optimise the website for search engine optimisation (SEO), securing partners to enrich the website content, connecting with social media influencers who may provide access to these markets, investing in website development, and adopting paid digital marketing (for example, Google Adwords or paying to promote posts on Facebook or Twitter). However in a recent initiative, The Engagement Project, Google advocates that, rather than starting at the top of the sales funnel and trying to build awareness and attempt to push customers through the funnel to conversion, businesses should start at the other end of the funnel, where loyal advocates or those who are more likely to have a keen interest are located, and engage with them to spread positive word of mouth and influence.

The former approach is akin to traditional market segmentation and, with the increasing level of competition and ‘noise’ on the Internet, is increasingly challenging and expensive to achieve. Securing a position on the first page of Google’s search results for a term such as ‘luxury self catering cottages’, would be very difficult for Karen to obtain, with the results dominated by online booking agencies and powerful intermediaries. The value inherent in the latter approach can be enabled through effective adoption of marketing technology. For example, the free application, Followerwonk (https://followerwonk.com) allows the user to enter any person or brand’s Twitter handle and analyse their followers. This includes a rating of their ‘social authority’ on a scale of 1-100 that enables the business to identify and, crucially, to engage directly with a segment of influential followers. This represents significant innovation in digital market segmentation. Karen demonstrated her awareness of this form of marketing when she referred to one of her goals as making the most of “ambassador marketing”, however she lacks the skills and knowledge to be able to facilitate it through technology.

On a personal level there is a sense that Karen is on a journey of discovery in her adoption of marketing technology and that being part of a network of peers and having the support of the university is key to maintaining momentum and direction on that journey: “We started the Digital Destinations Project with great anticipation that turned to trepidation, in January 2013, as we realised the enormity of the task ahead.” Later in the DD study she reflects through a blog post:

“Six months on, with the help of the project team at Bournemouth University we are relieved to have survived our plunge into the digital deep end and are now enjoying going with the flow of a digital current.”

The sense of personal value which Karen derives from involvement with digital marketing is palpable and this is reflected in later comments during interviews where she refers to digital as an “addictive” topic. It is also clear however that she prefers not to undertake that journey on her own, as reflected in one of her motivations for joining the DD study, namely “working with a group of like-minded organisations rather than as a lone voice”. This reveals the sense of isolation that small rural businesses can feel and the barrier it presents to technology adoption. As the study progressed it is clear that Karen was deriving tangible value from the project: “I’m so glad that we're sharing ideas with other businesses with the support of Bournemouth University”. It is clear that Karen is receiving limited support from local organisations and she alludes to the politics in the region where certain types of business receive favourable treatment from public authorities. This underlines the value of being attached to a wider network of organisations with a proactive facilitating organisation driving the agenda forward.
The value of networking extends to marketing her business and not just to learning about digital marketing. Referring to the growing level of competition in the form of home share businesses, which would now include digital disruptors like AirBnB, she is aware of the value in partnerships:

‘I am one small voice which is where it would be really good to join up with others or, maybe strategic alliances, or something like that, I don’t know. I don’t want to go to an agency where we’re paying, sort of, another 20% margin or something.’

However Karen also demonstrates her resistance to increasing her marketing costs by partnering with a commercial agency that will charge a high level of commission. There is an opportunity for small businesses in this sector to reduce these costs if they can build more direct online relationships with customers.

Karen understands the importance of having a unique proposition, referring to one of her challenges as trying “to connect with people where we have the real value-added area”. However a key challenge in an increasingly competitive and complex online world is not only how to define the value that the customer derives from the experience but also how to use that knowledge to attract customers. The proliferation of user generated multimedia content on forums such as TripAdvisor, Facebook, YouTube and Instagram, provide an opportunity for small business owners to understand the intrinsic value that customers derive from the service they experience. Reviews of Norburton Hall on TripAdvisor contain significant levels of detail which underlines the uniqueness of the value that customers derive. In many cases they resemble more short stories than factual accounts and are a rich source of insight for the business owner. The value extends beyond customer understanding and the development of value-added propositions, to the opportunity to curate this content for promotional purposes. Applications including Storify and Paper Li provide low cost solutions for curating user generated content and featuring it on the businesses’ own sites.

**Discussion - Creation of Value**

The NBH case demonstrates the value that resides in a number of areas: with the owner, in knowledge exchange networks, promotional networks, customer interaction with the business, customer to customer interactions, and the data that results from those interactions. Customer engagement through digital channels generates an immediate flow of data back to the firm in the form of ‘web analytics’ which can provide the firm with insight into which products, services, offers, campaigns, etc. are successful. An effective ‘test and learn’ strategy enables constant product/service innovation, which can facilitate cost effective growth strategies and operational efficiencies.

These sources of value are discussed below.

**Owner Value**

Small businesses such as NBH are unique from larger SMEs owing to the central role and influence of the owner (Barnes, Clear, Dyerson, Harindranath, Harris, and Rae, 2012; Simmons, Armstrong, and Durkin, 2008; Jones, Simmons, Packham, Beynon-Davies, and Pickernell, 2014). The NBH case reveals the extent of value that resides in the owner’s ideas and enthusiasm - innovative approaches to segmentation, an effectual approach to doing business where agility and adaptability are key features, the concept of ‘ambassador marketing’, recognising the power of online influence, and prioritising the need to acquire data gathering and analysis capability. Karen has moved from a position of ‘not knowing what she does not know’ to a heightened awareness of what she needs to do to embed technology adoption in her business.

**Network Value**

In order to sustain her adoption of marketing technology, Karen has clearly revealed the value she derives from being part of a peer-to-peer network enabled by an active facilitator organisation, in this case a university. The study has highlighted the gaps in provision and support by public authorities in the area of marketing technology adoption by small businesses. It is a gap which not only constrains the growth of the individual small business but of the region as a whole. This study has revealed that owners are passionate about what technology can do for their business which will have a direct impact on the rate and effectiveness of technology adoption (Ritchie & Brindley, 2005). However this passion has to be channelled and maintained through a support network where ideas and knowledge can be freely and openly created and exchanged.
The network value also relates to business partnerships and strategic alliances that can strengthen the service and its promotion and distribution. The physical components of the customer experience are a servicescape (Bitner, 1992) which can be strengthened through short term and long term partnerships. The NBH case demonstrates how channels such as Twitter provide a means for the business owner to extend his/her network of potential partners. In a digital context there is a strong argument for collaborative partnerships as they significantly strengthen a business’s ranking on the search engines. This is due to a number of factors that include an increase in quantity and quality of content that links back to the business website (backlinks which signify importance to the search engine) and the depth of content on the website which increases keyword richness.

**Customer Value**

Vargo & Lusch contend that ‘innovation is not defined by what firms produce as output but how firms can better serve’ (2008, 5) and that the value which a customer derives from a service can only be determined by the customer. The predominantly 5-star reviews of NBH on TripAdvisor indicate that service is exemplary when the customer is at the physical location and the extent of customer storytelling provides the business owner with an unparalleled insight into the value as perceived by the customer. However in a digital world, there is a virtual location pre and post trip which form part of the total experience. A series of customer touchpoints throughout this virtual-physical-virtual relationship provides an opportunity for the business to add value and to engage in ambassador marketing, in keeping with the shift from ‘a business-centred to a user-centred model’ (Kim et al., 2011, 157).

**Data Value**

The effective adoption of marketing technology requires that business owners develop competency in the area of web analytics in order to be able to unlock the value which is contained in that data. This relates to data generated across a range of platforms where customer engagement takes place - paid media, social media, owned media (Chaffey and Ellis-Chadwick, 2012). This facilitates a test and learn culture which enables a more effectual and agile approach to marketing (Read, Dew, Sarasvathy, Song, and Wiltbank, 2009). However lack of time and knowledge represent significant barriers to realising this opportunity.

**CONCLUSION**

This paper has introduced EM and SME marketing in the tourism industry. Although research of tourism SMEs and tourism entrepreneurship and enterprise is slowly growing there are significant gaps despite government interest worldwide. There is much less on the research of digital marketing in SMEs and much less so in the tourism sectors. Therefore this paper reports on a valuable project with tourism SMEs and entrepreneurs as they enthusiastically adapt and learn to make full use of digital marketing. In the small business context, business owners are engaged in various activities and roles; engaging with customers, marketing their business, entrepreneurial activities and innovation in terms of new innovative products and services (Jones and Rowley, 2011). Digital marketing offers tourism SMEs increased opportunities to innovate on an unprecedented scale for example: in defining target markets, as digital marketing offers an unparalleled access to information at a granular scale, which can redefine the ways in which customer segments are created using a range of paid-for and free-to-use applications.

Clearly the adoption of marketing technology offers new opportunities for entrepreneurs and small businesses to unlock value. Indeed there is a large government drive for the uptake of e-business to generate business growth in Europe and the UK and, globally. This includes the recent establishment of a Digital Steering Group by the European Commission to help identify the challenges and opportunities which small businesses are facing in Digital Europe. However, use of e-business, e-marketing and use of social media still present additional challenges for entrepreneurs. It is hoped that this project will generate insights and some solutions for entrepreneurs, practitioners and government agencies, while furthering our understanding of entrepreneurial marketing in the digital age.

**REFERENCES**


Challenged by uncertainty and the speed of changes in market requirements and technology, traditional marketing theories, such as marketing strategy and customer engagement, are of questionable effectiveness (Qader and Omar 2013; Gronroos 2006). Several previous studies have shown that traditional marketing approaches encounter more difficulties in addressing the problems in some industries, such as sustainable energy (MacGill et al. 2013; Constantinides 2006). As an alternative, Entrepreneurial Marketing (EM), which is a relatively new, cross-disciplinary theory of both entrepreneurship and marketing offers a solution to traditional marketing’s lack of effectiveness by introducing the powerful role of entrepreneurship together with implicit marketing activities driven by the entrepreneur (Whalen et al. 2015; Jones and Parry 2011; Stokes 2000). Sustainable energy is seen as a unique sub-set of the energy industry and over 85% of service providers, ESCos (Energy Service Companies) are high-technology SMEs. The nature of business with these ESCos is to improve the efficiency of energy and also reduce waste consumption and the carbon footprint of each consumption unit. Supported by government energy efficiency policies, entrepreneurs have been encouraged to start businesses in the UK’s energy industry. However, entrepreneurs of ESCos have discovered that they cannot find answers from textbook marketing as they have to face challenges that include fewer resources, market uncertainty, failure to understand consumer’s needs, and communication inefficiency (Whalen et al. 2015). EM theories have been seen as a viable alternative that offers further opportunity and wider competencies for the small sustainable energy firm, in terms of product innovation, identification of market opportunities and technological competiveness (France et al. 2014; Bjerke and Hultman 2002; Hill 2001, Stokes 2000).

This paper commences with a brief discourse on the energy industry, development of sustainable energy policy and current market status of the service providers, ESCos, providing a background to this research. There follows a literature summary on relevant research theories related to EM from a SME perspective that also demonstrates the importance of the role of technology in the study of EM. Subsequently, the research questions are presented and the conceptual model, TEMP (technological entrepreneurial marketing performance model) is discussed. The methodology proposes case study as a suitable research approach and the use of semi-structured interviews and observations to collect data. Although this is a working paper, the paper discusses preliminary outcomes in terms of the data collected with the exploratory case studies. Finally, potential contributions are proposed.

**RESEARCH BACKGROUND**

**Green Policies and ESCos**

The UK government is driving reduction in energy waste within public buildings and private homes with a raft of energy-saving initiatives. This has spawned a significant number of small independently owned Energy Service Companies (ESCos) managed by new entrepreneurs who predominantly have engineering and technology skills. It is much less likely that these entrepreneurs have business and marketing skills. For SMEs in this sector it is important to develop an entrepreneurial marketing solution that will effectively communicate and engage with potential customers and will thereby impact on their sales performance. Sustainability, also known as ‘green energy’, is a particular classification of the energy industry by the UK government. This offers certain financial guarantees for the firms within the energy field, and also offers financial incentives for customers. Therefore, some conventional theories, approaches and strategies to marketing may not be suitable for firms in this sector (Zhang et al. 2011).

The birth of the energy policy “Green Deal” can be traced back the vision for the climate set out in the Energy White Paper (2007) that the amount of CO2 emissions discharged should decrease by 60 per cent by 2020, and that building energy consumption is the initial target to be improved (Department of Trade 2007). Recent studies indicates that the green deal home improvement fund (GDHIF) is recognised as a unique element of the UK climate change project and incorporates the advantages of the German Feed-in tariffs compensation scheme (Zhang et al. 2011). Small energy technology providers are expected to achieve greater operational and financial performances in the marketplace with
ESCos being well known as beneficial receivers of the UK’s Green Deal energy policy, with their responsibilities being to help domestic residents to reduce the cost of energy consumption (Office for National Statistics 2012). However, as traditional marketing strategies are unsuited to ESCos, the result has been marketing failures that then reduced confidence in both government and, markets (Killip 2012; Kuckertz and Wagner 2010). The demands of using e-technologies are consequently increasing for entrepreneurs and are also highlighted in the research of ESCos (Rohdin and Thollander 2006; Goldman et al. 2005; Painuly et al. 2003). Hence, this industry sector of SMEs provides an ideal research area with its limited history and multifaceted characteristics.

The ESCos marketplace in the UK

The first UK based ESCo was founded by the National Coal Board in 1966 as a subsidiary to develop greater value added to its formal products and services (Fawkes 2007). As a consequence of the founding of the UK EPC market in the mid-1980s, many large corporations decided to set up ESCos as subsidiaries to assist the operating and commercial activities of the mother companies in energy industries (Bertoldi et al. 2014).

During the 1980s-90s, the restructuring of the UK electric power industry led to an increased number of ESCos being set up by individual owner-founders and family businesses (Bertoldi et al. 2014). However, the actual number of ESCos at present is not clear, and the status of the UK ESCo market is acknowledged to be in its infancy (Wikler 2000). Thus, it is a specific research area that remains unexploited (Bertoldi et al. 2014). Bertoldi et al. (2014) also summarise several critical factors that impact the market performance of ESCos, including awareness and trust, financial indicators and barriers.

Firstly, there is a lack of awareness and trust due to the lack of information provided to customers and there has been a failure to explain the notions of energy efficiency and key products. Additionally, these limitations in awareness and trust have led to further barriers in financing of ESCos, because a lack of trust increases the transaction costs of the ESCos partnership and “fear” of existing clients (Mourik et al. 2014; Backlund and Eidenskog 2013). Furthermore, distrust also reduces the likelihood of follow-up investments and identification of future opportunities unless a trusting relationship is established between the ESCo, its partners and clients (Mourik et al. 2014). Secondly, since government grants are declining and competition in the markets has increased, ESCos have become more sensitive to financial changes (with a recent ESCo Market Report suggesting using financial features such as turnover to evaluate the potential growth of ESCos, Bertoldi et al. 2013). Finally, ESCos may face more barriers to growth than expected. ESCos suffer the same regulatory barriers as others SMEs such as limited resources, low-credibility at start-up and, lack of business support for specific skills and technologies, as well as sector-specific barriers. High transaction costs and split incentives are two main issues for ESCos in the UK. Increased transaction costs are caused by the increasing number of EPCs (energy performance contacts) and the absence of ESCo standardisation. ESCos in other European Union countries such as Germany, Italy and Ireland, ESCos have broader provisional rights to customise the variety of contracts.

Recent UK government funding using ‘Feed-in-Tariffs’ have successfully helped clients and residents save money on sustainable energy products and in new building refurbishments. But this has also created additional market intensity and extra challenges for ESCos to deliver their products and services on time. Furthermore, the absence of standardised ESCo legislation and national level associations also increases the costs of communication and collaboration for ESCos.

LITERATURE REVIEW

Entrepreneurial Marketing

The concept of entrepreneurship is well established in the management literature, and scholars have attempted to link the entrepreneurship discipline to the study of marketing (Hills and Hultman 2011). EM has been identified by the American Academy of Marketing (AAM) as a cross-disciplinary study that investigates the interface between entrepreneurship and marketing, and also specifically in the SME marketing literature (Morrish 2011; Hills and Hultman 2008). A much cited definition of EM is as follows:

“The proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation.”

Morris et al. (2002 p.5)
Hills and Hultman (2008) updated the definition of EM as an orientation that identifies opportunities in markets and firms’ growth, and creates perceived customer value from several perspectives, including product innovation, market segmentation, and collaboration and networks. Also, several researchers have discovered empirical evidence that suggests that there is existence of an ongoing relationship between entrepreneurship and marketing (Bjerke and Hultman 2002; Carson and Gilmore 2000; Stokes 2000).

Hills and Hultman (2008) note that SME marketing is considered part of EM theory and, it reflects the importance of the role of firm growth in SMEs (Bjerke and Hultman 2002; Stokes 2000). Thus, the characteristics of the SME marketing discipline, such as marketing being less planned and with more intuitive marketing behaviours, with the founder-owner involved in marketing decisions, and flexibility of marketing activity, make it highly relevant to EM (Franco et al. 2014). Moreover, several particular characteristics of EM, including pro-activeness, optimism, innovation involvement, and informal, unpredictable but visionary marketing behaviours, are identified in a growing number of academic studies (Jones and Rowley 2011; Bjerke and Hultman 2002; Stokes 2000; Carson 1990).

In contrast to traditional marketing, EM focuses on the entrepreneur and their entrepreneurial actions. EM considers entrepreneurs as transformative leaders who are driven by their former entrepreneurial experiences to deliver their vision as leaders, controlling the behaviours of employees (Ucbasaran et al. 2010; Hill and Wright 2000). Consequently, the achievement of marketing behaviour depends on many aspects including the insights and knowledge of entrepreneurs (Bjerke and Hultman 2004). Stoke's (2000) empirical evidence compares traditional marketing and EM (see Table 1). Traditional marketing centres on customers and their interaction with product development and market changes, whereas EM relies on innovation and market requirements identification. Adoption of EM in small businesses produces close, interactive relationships between partners, the SME and its customers. Furthermore, EM may support entrepreneurs to breakthrough boundaries that include insufficient resources, lack of marketing knowledge and financial investment (Morris et al. 2002).

**Table 1: Difference between traditional marketing and EM (source: Stokes 2000)**

<table>
<thead>
<tr>
<th>Concept</th>
<th>Traditional marketing</th>
<th>Entrepreneurial marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Orientation toward the customer: orientation toward the market and subsequent product development</td>
<td>Orientation toward innovation: orientation toward the idea and intuitive assessment of market needs</td>
</tr>
<tr>
<td>Methods</td>
<td>Descending segmentation, targeting and positioning</td>
<td>Ascending targeting of customers and other influential groups</td>
</tr>
<tr>
<td>Market intelligence</td>
<td>Marketing mix</td>
<td>Interactive/word-of-mouth marketing methods</td>
</tr>
<tr>
<td></td>
<td>Formalised systems of investigation and intelligence</td>
<td>Informal networks and gathering of information</td>
</tr>
</tbody>
</table>

**Foundations of EM: SMEs and marketing**

In this research, viewed from a marketing ‘lens’, foundations of EM are based on the SME marketing perspective (Hansen and Eggers 2010). Although firms in the small business sector are not always entrepreneurial, entrepreneurship contributes to a firms’ growth by leveraging resources and opportunities in marketing (Bjerke and Hultman 2002). Carson and Gilmore (2000) discussed the importance of SMEs marketing in the firm’s lifecycle and inspired many researchers to propose that SME marketing dimensions have a close relationship with the owner’s entrepreneurial capacities (Aloulou and Fayolle 2005; Bjerke and Hultman 2002). Furthermore, advantages such as flexibility and rapid response to changes in the environment, and customised products and services, suggest that SMEs have a much better performance in a dynamic environment and niche marketplace (Parry et al. 2012; Storey and Westhead 2009; Simpson et al. 2006).

Empirical evidence suggests that establishment of networks and collaborative relationships are useful approaches which help SMEs to grow successfully and, the entrepreneur’s personal contact network (PCN) developed with larger companies allows SMEs to become more competitive and access long-term opportunities in marketing (Jones and Parry 2011). Approaches to SMEs marketing such as word-of-mouth and informal networks can facilitate owner-founders or entrepreneurs to increase a share in the market (Gilmore et al. 2006). Decision-making is also another challenge for SME
growth and innovation (Mosey and Clare 2002). Harrigan et al. (2008) propose a conceptual framework to underpin accuracy and efficiency of the decision-making process by using innovative technologies.

Despite the fact that marketing leverages opportunity-oriented benefits and collaboration in the growth of SMEs, it also brings several challenges to owner-founders, such as unfamiliar technologies, experienced employees and investment (Jones and Parry 2011; MacGregor 2004; Quayle 2002). A lack of management skills such as decision-making can create a slow reaction to new opportunities in the market and even the misinterpreting of the vision for firm development (Gill 2012; Gilmore et al. 2006). Indeed, prior academic EM studies have acknowledged the limitations of SMEs’ and their lack of capacity for effective marketing research such as a lack of clear marketing strategies. Therefore, entrepreneurs and entrepreneurship in firms are identified as key actors and factors which should be investigated in SME studies (Gill 2012; Gilmore et al. 2006; Shane and Venkataraman 2003).

Marketing in SMEs can be distinguished from traditional marketing conducted by large companies (Morrish and Deacon 2009). EM theory also identifies a specific form of marketing in relation to SMEs while SME marketing theorists have developed conceptual models to explain how EM occurs in SMEs and, to some extent this deeper understanding can resolve some of the challenges faced by SMEs.

**Entrepreneurial Orientation (EO)**

EO is presented as a comprehensive concept and is intertwined within the process of marketing so that firms act entrepreneurially in order to improve the firms’ operations, sales and other competences (Morris and Schindehutte 2002). The distinction between EO and entrepreneurship is that EO discusses major entrepreneurial processes of start-ups while entrepreneurship is a study of the content of a firm’s decision (Lumpkin and Dess 1996). It has several dimensions that include autonomy, innovativeness, risk taking, pro-activeness and competitive aggressiveness (Lumpkin and Dess 1996). In a following study, Lumpkin and Dess (2001) highlight two dimensions; that of pro-activeness and competitive aggressiveness which have positive relationships to a firm’s performance. Furthermore, several prior studies have discussed the positive relationship between entrepreneurial orientation (EO) and marketing orientation (MO). Various researchers highlight the fact that owners of small firms, particularly market-sensitive firms, need to develop entrepreneurial activity to find opportunities, listen to demands of clients and become more aware of the importance of innovation (Morris and Deacon 2009; Knight 1997; Miles and Arnold 1991). Rigering et al. (2014) also confirm that EO is a ‘solid measure’ of the level of entrepreneurial firms through examination of several identified characteristics of entrepreneurship such as innovativeness, pro-activeness and risk-taking. Innovativeness is described as a firm’s tendency to recognise and adopt new ideas, introduce innovative process and technology into its production (Renko et al. 2009). The result may lead to a successful innovation emanating from a new product development process. It also helps an entrepreneurial firm to shift existing resources into new product development (Renko et al. 2009; Avlonitis and Salavou 2007). The second component, pro-activeness is to forecast or anticipate a tendency of the future including demands on market, opportunities, risks and uncertainties and potential partnerships with large companies (Renko et al. 2009). Moreover, the study of successful entrepreneurial firms suggests that pro-activeness is closely related to first-mover advantage (Hult and Hurley 1998). Furthermore, risk-taking is often apparent in uncertain markets and dynamic external environments (Morris et al. 2010).

EM researchers who have studied EO, suggest that the study of EO in relation to other orientations helps makes it easier to understand other orientations such as TO and alterative strategic orientations more readily (Schindehutte et al. 2008; Lumpkin and Dess 1996; Jones and Rowley, 2011). The literature also acknowledges that EO is ‘... akin to technological orientation’ because EO guides an entrepreneurial firm to learn new technological knowledge and technical solutions in terms of users’ latest demands (Atuahene-Gima and Ko 2001, p56). Thus, EO plays a significant role that links entrepreneurs and entrepreneurial activity to the innovativeness of product development and technological orientation of the firm.

**Technological Orientation (TO)**

Intertwined with Market Orientation (MO) and Production Orientation (PO), TO is proposed as a main dimension of Strategic Orientation (SO) in several previous EM studies. Schindehutte et al. (2008; 2006) discuss strategic orientation (SO) theory that attempts to investigate decision-making processes of entrepreneurs under irrational and uncertain circumstances. Therefore, it helps to better understand TO by considering SO theory.
Firms are acknowledged have several SOs that create a positive synergic improvement in a firm’s performance (Miles and Darroch 2008; Baker and Sinkula 1999). SO theory proposes synergies of multiple orientations that including MO, EO and Product Orientation (PO) to support decision-making, new product development or organisational learning (Mu and Benedetto 2011; Zhou et al. 2005). A MO is not only useful to explore opportunity but also to increase market knowledge and, to develop competences towards competitiveness (Hills and Hultman 2006; Jaworski and Kohli 1993). PO, as an alternative SO, supports production oriented firms to improve the quality and distribution of products and services and reduce costs in order to attract customers. PO differs from MO that is customer-driven while, TO highlights innovativeness and strategic decisions of production toward customer preferences (Zhou et al. 2005; Gatignon and Xuereb 1997). However, other researchers also argue that the SO theory underestimates the role of entrepreneurs and their characteristics and so hinderers understanding the prioritising of technologies, particularly in electronic approaches (Miles and Darroch 2008; Day 1994). Thus, the authors of this paper propose that technological orientation should not be subsumed under SO as TO is likely to involve important key actors and influencers and, include aspects such as product innovation and real-time communication (Zhou et al. 2005).

TO is a key driver that encourages innovation in new idea, new product and service development (Salavou et al. 2004). As such, it is as important as entrepreneurship in facilitating a firm’s performance (Hortinha et al. 2011; Zhou et al. 2005; Srinivasan et al. 2002). Technological orientation also leverages benefits in technological proficiency and flexibility to overcome the lack of resources and expertise in SMEs, specifically in start-ups (Hakala and Kohtamaki 2011; Hortinha et al. 2011). An early definition of TO is provided by Gatignon and Xuereb (1997, p. 78) and is as follows:

"... the use of sophisticated technologies in new product development, the rapidity of integration of new technologies, and proactively developing new technologies and creating new product ideas."

Apart from supporting the sales decision-making process, technology can also support a firm’s technology orientation and provide further competitive advantage by integrating marketing solutions associated with e-marketing approaches, such as e-marketing, digital marketing or product technologies (Chen et al. 2014; Hortinha et al. 2011). TO can also improve a start-up’s capacity to seek marketing opportunities, build temporary sales tactics and provide various tools in communication and advertisements (Zhou et al. 2005; Wilson 1999; Gatignon and Xuereb 1997). Empirical evidence shows that TO within an entrepreneurial firm can deliver more benefits to existing customers and enhances the firm’s capacity to respond to various market forces issues such as demand uncertainty, competitive intensity, technology policies and identification of market opportunities (Zhou, 2005, Salavou et al. 2004, Hall and Rosson, 2006).

TO is an interactive process that impacts on various relationships in the growth lifecycle of a firm. Wilson (1999) describes how technology is adopted by owner-managers in terms of their relationship with employees, attitudes and behaviour in relation to technology and previous working experiences. TO also offers several new communication approaches in understanding and meeting expectations of customers. Using state-of-the-art approaches such as e-WoM, customer preference tracing and social media, the marketer becomes aware of the pattern of change of consumer needs and is able to adjust or even customise products and services (Zhou et al 2005).

Prior studies also propose ways to measure how TO impacts on a firm’s performance. Gatignon and Xuereb’s (1997) measured TO’s impact on firm performance using four parameters that included a “technological constant (p = 0.6)”; “market growth”; “competition” and; “demand uncertainty” and this has become the most cited research in recent studies of TO, SO and even SME marketing (Hunter and Perreault 2006; Li 2005). Alternatively, Hunter et al. (2006) tested technology effectiveness from a sales performance perspective by developing another three-item approach: company internal support for sales technology; customer approval and; previous sales experience.

In summary, academic researchers have called for further study of TO and further exploration of TO in relation to EM. Harrigan (2011) acknowledged that no aspect of marketing can be effectively completed with a single e-marketing approach, thus what founder-owners and marketers require is a set of digital marketing tools to satisfy their customers’ expectations. However, what the EM and entrepreneurial firm looks for may not simply be digital marketing alone as it may operate using a range of different marketing and technological marketing approaches. A recent e-marketing technology study about the UK retail industry reported that over two-thirds of retail managers confirmed that their IT investments did not bring the increase in turnover that they had expected (Ellis-Chadwick and Doherty 2009). Researchers propose that firms should consider intertwining the innovative e-marketing tools with alternative traditional marketing approaches such as Word-of-Mouth (WoM) to build an integrated channel that improves understanding of customer
For example, a wine retailer providing more story-led content via Facebook interaction with new customers, while the firm also updates the price offers by email. Thus, what the owner-managers are seeking ought to be an integrated e-marketing strategy that engages emotionally with customers by delivering rich content messages in an effective approach that customers respond and readily engage with.

**CONCEPTUAL MODEL**

In order to investigate the relationship between TO and EM in ESCos this paper presents a conceptual model based on the extant literature, the Technological Entrepreneurial Marketing Performance (TEMP) model. Applications of the model are intended to address two overarching research aims:

1) to investigate entrepreneurial marketing and TO from the SME marketing and e-marketing perspective in start-ups and new ventures in the UK’s energy industry and;
2) how such technology-based EM approaches used by entrepreneurs influence the firm’s sales performance.

Inspired by extant literature and guided by Whalen et al. (2015)’s entrepreneurial marketing contingency framework, a conceptual model TEMP (see Figure.1) was developed in order to structure the research aims mentioned above and to identify the several research propositions to be investigated. Whalen et al. (2015) proposed a contingency framework that describes the value co-creating process of marketing processes in entrepreneurial firms that can facilitate further competitive advantage. The model acknowledges the role of market opportunity and reflects on opportunities and the operating decisions of an entrepreneurial firm. Capacity of operant resources, production knowledge and environmental turbulence are identified and the authors suggest that if the firm is able to use EM behaviours then they will be able to acquire further temporary competitive advantage. The framework shows a process of how an entrepreneurial firm conducts its marketing by using both traditional marketing approaches and EM. Taking this further, the authors of this paper consider that using a study of EM and relevant SOs in a technology industry context will allow for further study of how EM related orientations could facilitate competitive advantage and produce increased sales performance in entrepreneurial firms. Therefore, a new conceptual model TEMP is proposed.
Figure 1: The Technological Entrepreneurial Marketing Performance (TEMP) model

Viewed from the left side to the right, the TEMP model represents a business process from demands created in the sustainable industry marketplace and opportunity for new business start-ups (creation of ESCos). Business start-up may include use of both traditional marketing approaches and e-marketing approaches to promote and broadcast information about the firm and its products. Next, customer information may be gathered. Consumer demands may inform future product developments (product innovation) or influence the entrepreneur’s choice of marketing approaches. In order to engage with more customers and leverage sources in product development, the entrepreneur may decide to increase their focus on e-marketing and other technologies for example, a sales CRM database or an e-solution dashboard for assessing and controlling the firms marketing activities.

At the centre of the model and inspired by Jones and Rowley’s EMO framework (2011), the identified dimensions from EO which inform EM in SMEs are proposed based on those most likely to influence TO in the SME. This is based on the assumption that the entrepreneur’s behaviours influence not only entrepreneurial marketing activity but also the firm’s technology orientation. Matsuno et al.’s research (2002) also evidenced that EO strengthens innovation in new-to-the-market product development process; with market mistakes often being caused by either the entrepreneurs’ inappropriate perceptions of the market or, rapid changes of external environments and consumers’ demands in terms of insufficient support in technology (Sultan & Wong 2011; Atuahene-Gima and Ko 2001). Moreover, Sultan and Wong (2011) suggest that entrepreneurial knowledge positively impacts on the owner’s motivations, entrepreneurial behaviours and firm’s NPD innovation. In the experimentation stage of a new product development (NPD) process, the owner’s entrepreneurial process starts with innovativeness and then gradually transforms to services and technological processes, which requires effective support by various technologies (Rigtering et al. 2014). Research here focuses the attitudes of the entrepreneurs as to how various technologies are used in marketing and, in terms of firms’ age, size and financial competence.

The authors here suggest that the study of TO can play a central role in identifying how innovative marketing technologies such as e-marketing and mobile marketing are adopted with traditional marketing approaches by the entrepreneurs to build an integrated system of marketing technologies for the ESCos. Gatignon and Xuereb’s empirical study (1997) highlights that TO strongly impacts on the radical product innovation in an entrepreneurial start-up while technological superiority (Mu and Benedetto 2011) can offer a unique competitive advantage that is difficult to be imitated by a firm’s
early competitors and, also offers long-term effects on strategy and firm performance (Schindehutte et al. 2008). Perceived usefulness which refers to an entrepreneur's belief in using a technology-based system to facilitate firm's performance (Van Biljon and Kotze, 2007) also has a positive relationship with both entrepreneurial knowledge and radical product innovation. In addition, Jones-Evans (1996; 1995) discussed TO types in terms of prior studies with entrepreneurs with technology policy taking place in the early stages of an entrepreneurial firm’s growth. Salavou & Lioukas (2003) assert that this is often a constraint or limitation in technology adoption.

Subsequently, firms that carry out EM and are also TO, to include e-marketing and traditional SME marketing approaches, are expected to have increased sales performance in uncertain environments. Further, the experiences and competences of entrepreneurs and entrepreneurial marketers with increased sales performance are also likely to carry out activities reflected in previous steps reported earlier; including demand recognition, firm growth and environmental uncertainty elimination.

The following propositions relating to the TEMP conceptual model are proposed

**P1:** A combination of traditional SME marketing and e-marketing approaches will effectively assist the small firm in identifying and collecting customer information and consumer demands from the market, particularly at the beginning of the firm’s life cycle or in growth phases.

**P2:** With access to ‘information on demand’ through e-marketing, the entrepreneur will have greater access to customer information and greater ‘informed influence’ on product innovation and marketing approach adoption.

**P3:** Each marketing task is completed by using varied, appropriate marketing approaches that include both e-marketing and traditional marketing activities, and entrepreneur is the key influencer on this process as he/she normally decides which marketing approach is to be used, based on which growth stage a firm is in.

**P4:** The entrepreneurial firm’s sales performance is positively influenced when the entrepreneurs effectively uses an EM approach and informed choice of product innovations based on customer and consumer knowledge generated from traditional and e-marketing techniques. Sales performance should increase and together with decreased risks of environmental uncertainty.

**METHODOLOGY**

In order to investigate the relationship between EM and TO and explore how they impact on an entrepreneurial firm’s sales performance, the researcher has adopted a qualitative research approach with case-based study research because the philosophical foundation for this research is interpretivism. This research then may empirically contribute to the EM theory, by generating further understanding of entrepreneurs, EM and how they adopt innovative technologies in their ESCos. Consequently, semi-structured interviews, use of case studies together with observations are confirmed as the major data collection approaches. Moreover, prior research suggests a multi-stage research design for the data collection is appropriate (Yin 2009).

Interpretivism, as the most frequently used qualitative philosophical concept, is used to investigate several relationships between concepts that include marketing, EM, EO and TO, and sales performance under uncertain environments. By interviewing the entrepreneurs of ESCos, the researcher uses the entrepreneurs’ subjective interpretations to expand both EM knowledge empirically and to suggest marketing solutions in practice. This qualitative paradigm is taken in order to instruct an inductive approach and to develop an iterative process to identify key factors that will investigate the relationship between EM, EO, TO and sales performance in the proposed TEMP model. This paradigm also enlightens the confirmation of semi-structured interviews and observations (Yin 2009). Empirical evidence suggests that semi-structured interviews and observations are an effective tool to capturing the entrepreneurs’ opinions and behaviours, particularly in relationship-involved research and small firm marketing (Bryman 2012; Carson et al. 2001). Since the key factors that measure the sales performance have not been recommended in previous studies, it is advisable to conduct a qualitative paradigm to identify the exploratory nature and characteristics of the research questions and propositions in this research (Shaw 1999).
Sampling

Purposive sampling will be used in this research project (Shaw 1999). In terms of Patton’s (1987) pre-determined criterion tactics, the sampling criteria developed in this research demands that each participant must own a firm of less than three years old or less; be a small or medium-sized firm, and use at least one type of marketing technology, such as a website, social media platform, E-transaction system or CRM. The criterion also specifies that the participants of interviews must be the key participants, either the entrepreneur (owner-manager) or the marketing manager. Furthermore, purposive sampling determines the size of participating cases until no new theme is founded and the size then will be decided by nature of research (Shaw 1999).

Earlier, the first phase of the research project involved a pilot interview with a key participant and expert in the field of sustainable energy ESCos and also research carried out at a large energy industry exhibition at the National Exhibition Centre (NEC, Birmingham) where potential sample firms were identified. Currently, interviews are taking place in participating ESCos. Interviews last approximately one hour and questions are based on tenant literature and elements of the TEMP model. Firms and participants are also observed simultaneously during firm visits. Finally, further documents and evidence will be collected in the manner suggested by Yin (2009) who advises establishment of an evidence chain to adopt the triangulation test, in order to verify the evidence from many sources: company publicity material, internal documents and publications, research investigation and financial reports. Expected outcomes include greater understanding of EM, EO and TO in technology driven SMEs in green industries and; deeper knowledge and understand of the role of digital marketing and e-marketing and the relationship between these are the entrepreneur. Interview findings will also help inform the feasibility of the theoretical framework and clarify the proposed elements of the model.

Data Collection

Firstly, a key participant interview was carried out to help inform the study. The first interview with Manager A has been successfully completed in Firm A. The interview lasted one hour and much useful and unexpected data was collected. Firm A is receiving a financial investment from a large Venture Capital company and is cooperating with many local authorities in partnerships. The interview captured very useful information about the growth of the firm, locations of their main customer groups, and marketing approaches using traditional marketing methods and using the Web. Moreover, Manager A emphasised the importance of a social media marketing approach within the contact network and in the partnerships, specifically when in collaboration with large companies.

Subsequently, seven other ESCos were approached by the researcher at the exhibition of ‘Sustainability Live’ and the informal interviews were successfully taken at NEC, Birmingham in May of this year. Despite the limited number of prior studies using exhibitions (Barnett et al. 2012; Morley 2009), it was a great opportunity to implement the initial contact and observe the SME exhibitors in their marketplace (Barnett et al. 2012). Some common ground between all seven exhibitors was discovered; all the firms were relatively young, being in operation for less than three years, and also that their main customers were all from the B2B sector. Firms provided innovative technology products and services by advertising on conferences and via word-of-mouth (WoM). However, it was interesting to note the varying exhibitors’ attitudes on the adoption of e-marketing approaches such as Twitter, Facebook or Pinterest. One possible explanation is that the exhibitors lack the expertise to utilise e-marketing approaches and general marketing knowledge and experience.

PRELIMINARY FINDINGS AND CONTRIBUTIONS

Early implications are that the entrepreneurs who focus on development of their customer relationships and provide marketing by WoM are more successful in terms of marketing than those who do not engage customers using WoM and/or social media. First of all, the participants in the early stages of the research confirmed that their communications with new or potential customers are reliant on e-marketing instruments such as Facebook Messenger and Twitter. Secondly, adopting e-marketing technologies helps a firm to improve the level of “trust” and develops contact networks with customers, large energy-supplying companies and local government partners. Finally, it also increases the ability of a firm to find more sales and growth opportunities in the marketplace.

This iterative study has already found that ESCos prefer to adopt traditional marketing approaches such as attending exhibitions and conferences, WoM and posting advertising flyers in early stages of start-up. In the meantime, technology
oriented approaches such as use of websites, product demonstrations or social media were underused and used only to display product information.

The initial contribution of this research is to identify potential synergies between the entrepreneur and his or her use of social media and other e-marketing techniques in relation to developing customer relationships and retaining customers in the research domain of Entrepreneurial Marketing. New empirical knowledge will be extended with regards to the study of SME marketing and entrepreneurship. SME marketing and Relationship Marketing researchers have investigated the use of the innovative IT inside the firm as a management tool such as Business Information Systems (BIS), or Customer Relationship Management (CRM) (Gilmore et al. 2007; Payne 2006). What is far less explored is the synergistic relationship between the entrepreneur, word-of-mouth (WoM) communication and electronic word of mouth (e-WoM) and, the marketing of green technologies. The proposed TEMP model is the start of conceptualizing all these aspects.

Practical implications include the development of new knowledge for public policy makers, business support and for entrepreneurs of SMEs, as this research should provide some indications and solutions regarding the effective use of EM and social medial in SMEs and in the marketing of ‘Green Deal’ and other government funded initiatives.

CONCLUSION

There is a strongly held agreement that EM is an emerging theory that is different from the traditional marketing theories and strategies. EM theory centres on studies of informal, unpredictable but visionary marketing activities often in a high-risk and high-uncertainty circumstances. However, it is interesting to note that the dimension of technology that plays an important role in various marketing studies is largely ignored in EM research. Thus, this research project attempts to investigate the relationship between EO and TO from an EM perspective. This paper highlights the inter-relationships between extant theories which include strategic orientation, the role of the entrepreneur and the meaning of technology orientation in start-up SMEs. More specifically, this paper proposes a conceptual model, TEMP, which argues all marketing approaches, such as network, e-marketing, WoM and mobile application, should be investigated together in terms of an entrepreneurial firm’s lifecycle. The framework also highlights the potential significance of the further profits that a small business can acquire, through an understanding of how an entrepreneur can effectively interact with chosen technological marketing approaches. Therefore, a case study approach has been used to investigate such unknown questions, including whether and how the entrepreneur and technology can impact on each other.

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“YES, AND…” AND 10 EFFECTUATION-BUILDING IMPROV SKILLS

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ABSTRACT

The primary aim of this general review is to explore the pedagogical applicability of select improvisational theater activities as they relate to the development of an effectual mindset. The activities explored have particular relevance for entrepreneurs engaged in customer development and the sale of minimum-viable-product(s), where feedback, active and open listening and a degree of imagination are crucial.

INTRODUCTION

“Yes, and…”—an improv exercise in which any statement, no matter how outlandish, by one’s acting counterpart must be affirmed and used as inspiration for the next line—is widely considered by improv practitioners to be the foundational improv exercise and principle (Berrong 2015; Marks 2015; Rook 2015). As an improv exercise “Yes, and…” requires participants to avoid false either/or constructs and to actively listen and affirmatively generate new thoughts from their counterpart’s preceding statement. Thus, the activity has particular relevance for entrepreneurs engaged in customer development and the sale of minimum-viable-product(s), where feedback, active and open listening and a degree of imagination are crucial. And, though considered the mother of all contemporary improv principles and activities, “Yes, and…” is only one of several hundred improv activities being practiced in improvisational theatre today. In a preliminary survey, scores of other improv activities overlap directly or indirectly with the performance techniques, mindset orientation, and soft skills required in entrepreneurial environments. Additionally, the principles underlying most improvisational theater activities parallel the five principles of effectuation: the bird-in-hand principle in effectuation overlaps with many improv activities including “Yes, and…” in that improv builds from “unpredicted in-hand inputs” provided by activity partners; the affordable-loss principle in effectuation overlaps with many improv activities including “Yes, and…” in that practitioners put forth relatively small sized responses such that in the event of small failures, partners can quickly pivot and still create a successful scene; similarly, the lemonade principle in effectuation also overlaps with many improv activities including “Yes, and…” in that improv activities train practitioners to use the mistakes of scene partners as fodder for ultimately heightened entertainment value; the patchwork-quilt principle in effectuation overlaps with many improv activities including “Yes, and…” in that co-creation by self-selecting stakeholders (including audience members) is a cornerstone of the activity(ies); and, finally, the pilot-in-the-plane principle in effectuation overlaps with many improv activities including “Yes, and…” in that improv troupes craft unscripted scenes and narratives under conditions that are “neither found nor predicted, but rather made.”

This paper combines a review of academic and practitioner literature, web content from a number of applied-improvisation instructors currently teaching at business schools and corporate settings and participant-observation at improv theaters (mainly theaters based in the Kansas City metro [Kansas and Missouri]; Los Angeles, California; Austin, Texas; and Madison, Wisconsin). The paper also incorporates interviews with several long-term improv-practitioners; in particular three Chicago-trained Kansas City based practitioners: Trish Berrong (Education Director at Comedy City and performer with improv troupe Tantrum); Tim Marks (Chief Improvisational Officer and performer with The KC Improv Company); and Joel Rook (performer with Major League Improv). In addition to “Yes, and…,” ten improv activities—two per each of the five effectual principles—that relate to skills development which support effectuation and an effectual mindset will be identified and their applicability and implementation will be illustrated in detail. A number of the exercises curated in this paper have been modified from their theatrical iteration, in particular those suggested and illustrated by Stanford Design School instructor Elizabeth Gerber. Though she was not concerned with effectuation, her modifications serve to greatly increase effectuation skills development and relevance to students of instructors who wish to utilize any the activities in a learning environment. The paper will also compare principles of effectuation with classical bricolage (Lévi-Strauss 1966) and contemporary improvisational theater. This is the first paper to explore the skill-building value of improvisational theatre activities for the development of specific effectual abilities and an overall effectual mindset.
EFFECTUAL MINDSET BUILDING IMPROV ACTIVITIES

Effectuation Principle 1: Bird-in-Hand [Start with Means]:

The notion that expert entrepreneurs—which this paper will refer to as “skilled entrepreneurs”—set out to build a new venture, they start with their means: who they are, what they know, and who they know, resonates very closely with what skilled improvisers do in building a new performances through an awareness of who their character is, what their character knows, and who are the other characters in the scene. The major difference between skilled entrepreneurs and skilled improvisers vis-à-vis the bird-in-hand principle is that entrepreneurs have the luxury of more time to reflect and “imagine possibilities that originate from their means,” whereas skilled improvisers are trained not to reflect or imagine but rather to react instinctively in real time to the performance material that their co-performers gift them (Marks 2015; Rook 2015). From the standpoint of Lévi-Strauss’ concept of the bricoleur the major point of contrast is that when skilled bricoleurs set out to create a new artifact, they start with who they and what they know—as do skilled entrepreneurs—but not who they know. There is a cluster of academic literature, some relating to and some not relating to entrepreneurship, which posits that social networks can be viewed in their own right as “material at hand” (in particular see Baker and Nelson 2005). Though this may be true, it is certainly not an embodiment of the “solo myth-building bricoleur” or any of the other lone-wolf figures articulated in Lévi-Strauss’ own wide-ranging discussion in his original conception of the bricoleur approach and mindset. Given that all of the bricoleurs as conceptualized by Lévi-Strauss (pp 1-44, 1966) are independent innovators, one must question the relevance the bricoleur in comparison to the socially-driven networker and co-creator as articulated by Sarasvathy (1998) or by others such as Steve Blank in his concept of the customer-development-model (Blank 2013). Given that skilled improvisers are all about focusing on the performance material gifted by their co-performers (Marks 2015; Rook 2015) it would seem at root to be a more resonant and fruitful metaphor. The two exercises articulated below—one which has been clumsily if descriptively entitled “Close-Read Zip Zap Zop” by the present author and the other called “Metaphor Ball”—develop participants’ abilities to identify and use the behaviors and utterances of fellow characters as means to performance.

Bird-in Hand [Start with Your Means] Exercise 1: “Close-Read Zip Zap Zop”:

A description of the basic Zip Zap Zap improv exercise is posted on the University of Texas Department of Theatre and Dance’s Drama-Based Instruction website: “Everyone stands in a circle. Ask the group to repeat the words ‘Zip, Zap, Zop’ three or four times, all together. Tell them you have a bolt of energy in your hands. To start the game, send the bolt out of your hands with a strong forward motion straight to someone else in the circle (using your hands, body, eyes, and voice) saying ‘Zip.’ Be sure you make eye contact with the person you pass it to. They should receive it with their whole body and pass it immediately to someone else saying ‘Zap.’ That person passes it on with a ‘Zop.’ The game continues ‘Zip, Zap, Zop’ (Anon, Zip Zap Zop 2015).” Kansas City based improv coach Trish Berrong states that she trains performers using a version of Zip Zap Zap that requires much more focus and “close-reading” as compared to the classical version of the exercise outlined above and which she sees as relating directly to the notion of the Bird-in-Hand [Start with Your Means] from the effectuation literature: “In workshops with (Chicago-based) Annoyance-trained teachers and performers (Mick Napier, Joe Bill, Mark Sutton, Susan Messing, Rebecca Sohn), they approach the work from a character-driven place: ‘How do you do what you do is who you are.’ They talk about the three things you can use to create scenes: dialogue, physicalization, and emotions. It's really about using the whole buffalo. Because you're creating from "nothing," you have to notice details and nuances. You have to pay attention like you have a crush on your partner—taking in everything they give off. You're not just yes-ansing the words—you're allowing gestures, expressions and exhalations to affect you as deeply as dialogue. So for that, I use a version of Zip Zap Zap I learned from Rob Reese of Amnesia Wars (New York City). Instead of the traditional version, where you're passing words around fast and calling out mistakes, you pay close attention to the way the word is passed to you: Does the player lean forward on one foot as he says, ‘Zip’? Does she look to her left, giggle, and then realize it's her turn before she passes ‘Zap’? What makes the way they speak, make eye contact, point, etc. different? As you pass it to the next player, you incorporate the subtleties of what you were given. As the pattern continues, the words may disappear and turn into emotional noises...the group may be consumed by giggles...it may turn out you're passing a ball or a kitten. The idea is that you don't have to try very hard to create something new—you just have to notice and use the gifts that already exist. There are lots of ‘grapevine/telephone’ style games that work this same skill” (Berrong 2015).
Bird-in Hand [Start with Your Means] Exercise 2: “Metaphor Ball”:

Metaphor Ball has been successfully used as a means to encourage co-innovators to spontaneously use ideas that are gifted to them throughout the exercise. Though, as mentioned above, Lévi-Strauss focused only on independent bricoleur-innovators, in another way Metaphor Ball is the most Lévi-Straussian of the exercises explored in this paper in that in his articulation of bricolage and bricoleurs Lévi-Strauss was primarily concerned with the combination and recombination of “mythical components on hand” and would likely have appreciated the notion of an exercise that encourages the co-creation of “components of metaphor at hand.” Gerber states that she uses the exercise so that designer can “practice the skill of receiving ideas without judgment.” She lays out the activity as, “players standing in a circle facing each other. The activity begins when one player ‘throws’ an imaginary ball to another player in the circle. When ‘throwing’ the ball, the player says the first part of a metaphor. For example, she might say, ‘Love is like a…’ The other player extends his arms as if he is catching the imaginary ball and repeats the line, in this case, ‘Love is like a…’ and completes the metaphor as quickly as he is able. The goal is to say the first thing that comes to the player’s mind and then to explain the metaphor. For example, the player might respond, ‘Love is like a glass of water for they are both transparent and nourishing.’ Once this metaphor is completed, the player quickly ‘throws’ another ball to another player in the circle saying, ‘Work is like…’ The recipient completes the metaphor and the activity continues. The goal of the activity is to say what comes to mind as quickly as possible in reaction to what the other player has said. If a participant pauses to think about a clever response, s/he is encouraged to say the most obvious response to keep the activity moving quickly. Improvisers do not allow time for criticizing the idea that has been given to them by the other player or critiquing their own response. Designers find that by doing this activity, they not only withhold judgment of their ideas and others ideas, they also recognize the creativity that results from saying what first comes to mind. This is consistent with research that finds that when individuals, who are open minded to new ideas and who receive support for idea generation, benefit from a certain amount of time pressure” (Gerber p 100 2009).

Effectuation Principle 2: Affordable Loss [Focus on the Downside Risk]:

Just as skilled entrepreneurs limit risk by understanding what they can afford to lose at each step, instead of seeking large all-or-nothing opportunities and choose goals and actions where there is upside even if the downside ends up happening, so is it that skilled improvisers limit risk by understanding what they can afford to lose at each interaction, instead of seeking large all-or-nothing performances and by choosing interactions where there is upside even if the downside ends up happening. Gerber argues that improvisers should set out to “fail cheerfully” and that similarly innovative designers should aim to follow the mantra “fail early, fail often” (Gerber p 3 2007). In a comparable vein, a primary mantra within the Innovation Engineering domain when developing new products is for innovators and co-innovators to “fail fast, fail cheap” (Anon, Bloomberg 2015). Gerber goes on to argue that co-innovators can learn to become very comfortable with low-cost failure by engaging in the improv exercise “What are You Doing?” She states that if “one feels shameful and embarrassed by his or her mistakes, he or she is less likely to take a risk the next time. Although this is a simple concept, it can be challenging to implement. An improvisation exercise designed to encourage comfort with failing, in particular, comfort with failing publicly is called ‘What are you doing?’” (Gerber p 3 2007). In a later article Gerber discusses “New Choice,” a modified improv exercise which encourages co-innovators to “fail early, fail often” in a low stress, low cost way. She states that “during a brainstorm, designers are encouraged to generate a large quantity of ideas. The belief is that when many ideas are generated, the likelihood of useful ideas increases. For a successful improvisation performance, improvisers must have many ideas and be able to react to the situation at hand (Gerber p 101 2009).”

Affordable Loss [Focus on the Downside Risk] Exercise 1: "What are You Doing?":

Gerber provides the following illustration of the activity: “One person entered the center of the circle and began to pantomime a simple activity, typing an email in this case. A second person entered the circle and asked, ‘What are you doing?’ The first person was asked to respond by saying anything but what she was actually doing. She responded, ‘I’m brushing my teeth.’ As soon as the second person heard the answer, he pantomimed the mentioned activity. The two people switched back and forth asking each other ‘What are you doing?’ and pantomimed the actions. Due to the strong connection between thought and action, this activity was extremely hard to do. It involved great focus and attention while at the same time maintaining flexibility of thought. Consequently, many students felt they had ‘failed.’ When asked ‘What are you doing?,’ they described what they are actually doing. If a mistake was made, the person who made the mistake was asked to celebrate by raising his or her arms and say ‘Ta Da,’ like a circus performer who has just executed a risky stunt. Others were encouraged to clap in support rather than ridicule. This practice of explicitly celebrating failures helped
to normalize failures and realize the potential for learning that can occur. In design, while failure is often seen as a means for success, it is rarely discussed. It seems as if failure is supposed to happen privately and only revealed once success has been achieved. Improvisation offers a technique for celebrating failures as they occur and collectively supporting the effort to reengage and begin anew, progressing towards success” (Gerber p 3 2007).

**Affordable Loss [Focus on the Downside Risk] Exercise 2: "New Choice":**

Gerber states that innovators “practice being prolific idea generators using a modified improvisation activity called ‘New Choice.’ For this activity, two people stand side by side. A third player stands to the side. The two players begin to have a conversation about building a new product. When the player to the side doesn’t like what has been said, s/he asks the player who last spoke to offer a new choice. If s/he is still not pleased with that response, s/he asks the player to offer another new choice. The goal of the activity is not to critique but to have the players generate ideas as quickly as possible. For example, one player may say to another, ‘Let’s create a product for the elderly.’ The other play may say, ‘Yes, let’s build a safer walking cane.’ The third player coaches the second player to come up with a new choice by saying ‘New choice.’ The second player responds, ‘Yes, let’s build a wheelchair for ice.’ The third play coaches the second player for a new choice again by saying ‘New choice.’ The second player says, ‘Yes, let’s build a new limb for the elderly.’ The coach requests new choices until s/he is satisfied with the new direction. This activity reminds designers that ideas are not precious and that when prompted by others, they may generate ideas in areas in which they have not previously considered” (Gerber p 101 2009).

Gerber argues that “by failing early and often, designers learn what works and what doesn’t work before designs go into production and failures are more difficult to fix. The thrust of the imperative is a designer’s bias towards action and hands-on learning rather than theoretical contemplation out of context. Improvisers similarly celebrate regular action because they believe that taking action leads to more opportunities to learn. When people act, they experience more successes and more failures. Successes breed confidence and failures provide learning experiences to inform future performances. Johnstone advises improvisers to ‘Fail cheerfully.’ By failing cheerfully, improvisers look to their failures with an eye towards improvement rather than with an eye towards criticism which may lead to paralysis rather than production on stage. While both designers and improvisers benefit from thoughtful contemplation of ideas and trends, both are inclined towards active hands on learning, creating multiple opportunities for successes and failures” (Gerber p 101 2009).

**Effectuation Principle 3: Lemonade [Leverage Contingencies]:**

Just as skilled entrepreneurs invite surprise and rather than making “what-if” scenarios to deal with worst-case scenarios and interpret “bad” news and surprises as potential clues to create new markets, so do skilled improvisers invite surprise and rather than making “what-if” scenarios to deal with worst-case scenarios, they likewise interpret “bad” reactions and surprises as potential clues to create new performances. Trish Berrong states, “Whether you think of them as goof-ups, surprises, or misunderstandings, yes-arching unintentional contributions can lead to most rewarding scenes. There are plenty of exercises that force you to either treat a random gift or element as perfect and brilliant, or force players to work so quickly that mistakes are bound to happen, or restrict the amount of information players have so the fun comes from watching them try to figure things out. ‘Blind Line’ is a crowd favorite” (Berrong 2015). Gerber states that “designers innovate not when they are trying to be clever but when they are attentively reacting to the needs and opportunities they observe” (Gerber p 101 2009). In other words, when they leverage contingencies, negative or positive, that present themselves. Gerber details a retrofitted version of an activity called “Presents” which develops this ability.

**Lemonade [Leverage Contingencies] Exercise 1: "Blind Line":**

Berrong describes this activity as follows: “with players out of the room, random lines of dialogue (famous quotes, advice, ad slogans) are written on slips of paper scattered around the stage. The players return and play a scene, inserting one of the random lines every so often. The quote ‘I'll be back’ might send a lover out of the scene mid-proposal. Played well, Blind Line is magical: Players allow the random ‘mistakes’ to affect their relationships and the narrative, and the scene takes wild twists and turns. A good player will use the line in response to dialogue, and then allow her partner to respond. Played poorly, lines are used to get a laugh and ignored. This happens when players set up the line (e.g. ‘It's like my dad used to say...’) and then explain why they said it. Players neuter the audience dialogue so it can't interfere with where the scene was already going” (Berrong 2015). Having personally engaged in this improv activity many times (in both training
sessions and in live performance) and having seen it performed many times this paper’s author can attest to the extent to which contingencies are leveraged in real time. This paper’s author has seen a version of this activity performed by an improv troupe that Berrong coaches (and also as discussed by Rook 2015) in which each performer borrows a cell phone from an audience member and uses text messages on the phone as their “blind line.” The extent to which skilled performers can squeeze and sweeten “non sequitur lemons” and create lemonade out of them in real time creates a tangible energy throughout the audience.

Lemonade [Leverage Contingencies] Exercise 2: "Presents":

Gerber describes a modified version of “Presents,” as an improv activity wherein designers “pair up and pass a familiar object back and forth, generating alternative uses for a familiar object. When the object is received, the designer names the object and then describes an alternative use for the object. The goal of the game is to pass the object back and forth as quickly as possible while generating as many alternative uses as possible until the original use of the object becomes just one of many possible uses of the object. For example, while doing this activity, a pair of designers passed a small trash can back and forth developing multiple uses for the can such as a stool and a door stop. Gerber states that the “first several ideas generated were ideas that more or less assumed the constraints and typical uses of the object. However, the designers realized that to generate more alternate uses, they had to relinquish their preconceptions of what a trash can could be. As they continued the activity, the trash became a cup for giants and a boat for a mouse. During this activity, designers practiced free-wheeling and were able to use this skill while brainstorming. Designers modeled for each other the generation of novel ideas that occurs when they are able to break free from cognitive, emotional, and behavioral bounds of socially shared conceptions of what is possible – the desired state for an effective brainstorm. By seeing their collaborators participate in this behavior, they felt safe and encouraged to develop their own wild ideas when brainstorming. Like designers, improvisers craft engaging narrative performances by making verbal and physical offers on stage that come to mind immediately rather than hesitating and adhering to their perceived notion about should happen. Best improvised performances happen without hesitation” (Gerber p 101-102 2009).

Effectuation Principle 4: Patchwork Quilt [Form Partnerships]:

Just as entrepreneurs build partnerships with self-selecting stakeholders by obtaining pre-commitments from these key partners early on in the venture and co-create the new market with its interested participants, so do skilled improvisers build partnerships with self-selecting stakeholders by insuring pre-commitments to improvisation principles and parameters from co-participants, thus reducing uncertainty and thereby co-creating new performances with interested participants, including audience members. Though on its face a “patchwork quilt” may be the closest thing to a traditional bricoleur jury-rigging a valued tapestry from old leftover parts, given the social-network nature of the principle in the effectuation framework there is a lack of correspondence at least in terms of Lévi-Strauss’ description and examples of the strictly independent bricoleur innovator (again, for a good review of literature which expands on the classical Levi-Strass classical conception see in particular Baker and Nelson, 2005). In order to encourage goal-alignment and harmonization within and between teams Crossan uses an improv exercise called "Tug of War." Trish Berrong sees the Tug of War as corresponding to the Patchwork Quilt principle. She states “it’s easy for players to worry about themselves and their own agendas and see other players as competitors rather than teammates. Paul Vaillancourt talks about yes-anding like stage combat—you may appear to be in conflict, but you agree on who will lose” (Berrong 2015). “Group Drawing” is an improv activity used by Gerber to show the how “creative collaboration clashes with an individual’s need to be more creative or clever than others” (Gerber p 2 2007). The exercise develops “the principle of consciously reacting to and building on each other’s ideas can be critical for effective creative collaboration” (Gerber p 2 2007).

Patchwork Quilt [Form Partnerships] Exercise 1: "Tug of War":

In this exercise, “two teams participate in a tug of war with an imaginary rope. Often teams pull as if they are pulling the other team over the line. Naturally, when both teams do this at the same time, it is not very realistic, as the imaginary rope must either have broken or stretched to accommodate the two teams” (Crossan p 597 1998). Crossan goes on to point out that “When the teams discover that what they are after is realism, they undertake the exercise in an entirely new way with a lot of give and take, and coordination of action. It is not difficult for managers to relate to the difficulties they experience when Marketing has a goal of market share…but to operate as part of a team, take different leads at different times, and interpret the environment in new and different ways to support emergent strategy, individuals need to develop the attitude and skills to effectively improvise” (Crossan p 597 1998). In coaching participants Berrong’s first instruction
to participants is “Show me a tug of war.” She continues, “They pretty much always fail—the rope stretches, neither team is willing to lose, the game goes on forever. As a coach, you clarify the assignment: Your job is to convince me all of you are having a tug of war. Usually they get it on the second or third try. They're not two teams; they're one. If the littler group decides to make a big pull, the bigger group has to tumble into the ditch. They only succeed if their answer to their fellow players moves is agreement and a physical response” (Berrong 2015).

Patchwork Quilt [Form Partnerships] Exercise 2: "Group Drawing":

Gerber has designers face a large piece of paper or whiteboard and they are “instructed to draw a picture together by making one line at a time. The leader started the activity by making one line on the piece of paper. Once the mark was made, the leader held the marker and waited until someone else wanted to add another line to the drawing. The marker was handed off and the next person made his line, again holding the marker waiting until another member of the group wanted to add a line. The drawing was finished when one person was left standing with the marker and no one approached him to take the marker away. This activity illustrates the challenges of working collaboratively on a single design. This activity ran for 45 minutes until there was little space remaining to draw. Because everyone wanted to make an original mark on the drawing, the drawing became increasingly complicated and experienced ‘feature creep,’ like the tendency for product features to increase during the development process, beyond the initial scope of the project. Often attributed to client’s demands, designers may drive “feature creep” when they perceive opportunities for improving the product. In this activity, “feature creep” occurred when individuals jumped up to make a mark on the drawing before seeing what the previous person had contributed. The activity revealed the individual tendency to contribute unnecessarily because of a selfish need to show off rather than focusing on the group goal of making a coherent design. In this activity, individuals could have contributed by not drawing another line. Contribution to creative collaboration may come through conscious non action rather than selfish action. In the next iteration, the group discovered they wanted to create a satisfying drawing (or final product), and consequently approached the activity in a different way. The activity was more thoughtful and creative action was taken in coordination with others. The result was a more satisfying and focused drawing (or final product) in less time. Too often, designers work in conflict, rather than in concert” (Gerber p 2 2007).

Effectuation Principle 5: Pilot-in-the-Plane [Control v. Predict]:

Just as skilled entrepreneurs focus on activities within their control with a mindset rooted in the belief that the future is neither found nor predicted, but rather made, so do skilled improvers focus on activities within their control skilled with a mindset rooted in the belief that the future is neither found nor predicted, but rather made. Given the lack of predictability often involved in new product development, Gerber sees the boosting of spontaneity as crucial to successful design-innovators. In some sense the ability to react in real time becomes a form of control and competitive advantage. She argues that “in a traditional product development cycle, designers simultaneously react to internal requests from their sales, engineering, and marketing cohort while simultaneously reacting to external design trends and users’ needs. Designers may know the direction of their work, but cannot predict whether the direction will remain the same throughout the course of a project [current author’s emphasis]. Hence, having the ability to react spontaneously to one’s internal and external environment is crucial. Spontaneity of action is achieved by breaking free from traditional frames of references and associations. By breaking free, it is believed that individuals can better accept and integrate spontaneous offers. By activating intuitive thinking through contradictory activity, these frames and associations can be broken. Improvisation techniques are designed to develop more intuitive thinking by focusing on free association” (Gerber p 3 2007). Gerber uses an exercise called “Breaking Free” to develop this ability. In order to encourage real-time situational awareness, improved listening and the ability to respond rapidly and to acclimate participants to spontaneity Crossan uses an exercise called “One Word Story” (Crossan p 597 1998).


In this exercise participants stand “in a circle facing each other. The first individual was asked to say a word, and the second individual was asked to say a different word, and so on. Without prompting, a pattern of associated images emerged. Following this activity, the designers were asked to intentionally not associate as they each contributed a word. In this activity, the designers often prepared three or four words that they could possibly use when it was their turn to contribute a word. Although they had a high likelihood of not associating with the words said in the circle, they were not likely listening to what was being said in an effort to remember the words they wanted to contribute. To overcome this challenge, the designers were asked to individually continuously speak a string of words avoiding associations with any of
the previous words. Most designers were able to say between five and ten words continuously before realizing that they were associating between words” (Gerber p 3 2007). Gerber argues that this improv exercise demonstrates “the difficulty of breaking out of set patterns. Even when individuals found a way to say a string of disassociated words, such as light, paper, floor, open, blue, for example, the words were items from the office environment in which the person was situated. Although it appeared as if there was no connection between the words, in fact, they were associated. These exercises can equally be applied to physical actions as well as spoken actions. Breaking free from set patterns of behaviors and thought is a continuous challenge for designers at work. Individuals struggle to break out a familiar pattern of reacting to the needs of the marketing and sales teams or interpreting results from end user testing. Consequently, individuals miss opportunities to consciously react to new information because they are unconsciously reacting as if all information is old. For designers to be fully stimulated and reactive to their environment, they must break free from set patterns of behavior and thought” (Gerber p 3 2007).


In this exercise “pairs of individuals create a story, each providing one word at a time. It is quite obvious in this exercise when individuals are simply transacting the story by adding words like ‘he—went—to—the—store,’ as opposed to using, what improvisers call, ‘million dollar words’ that create sentences like ‘David—exploded—with—rage.’ Building a story, using million dollar words, in a spontaneous fashion requires both the creative, and quick sub-conscious processing that characterizes intuition” (Crossan p 597 1998). She also describes a more complex exercise variation of called “One Word Story” called “Make a Story.” However, rather than detailing that variant the paper will outline a variant which the paper’s author has experienced on multiple occasions as a participant as well as from the audience called “Directed Story.” In this exercise a “story conductor” stands in front of a line of participants, pointing to whichever participant is expected to improvise the story for that moment, then pointing to the next participant in no particular order. Obviously the longer and more frequently the story-conductor points to a given improv story-teller the more difficult the exercise becomes for that individual. In “Directed Story” (Marks 2015) performances in front of audiences any participant who hesitates in the delivery of the narrative is booted from the stage. Thus, the improviser-director of this exercise focuses on activity within their control and embodies the mindset that the future is neither found nor predicted, but rather made.

LIMITATIONS, PEDOGOGICAL IMPLICATIONS AND FUTURE RESEARCH

Given the exploratory nature of the current general review, a major limitation is that many equally relevant improv activities to those articulated above have yet to be identified and explored in relation to effectuation. In addition to having pedagogical value for collegiate instructors teaching entrepreneurship, innovation, new product development (and their students), the current research has practical implications for corporate sales trainers and their clients, particularly those working on behalf of start-ups firms and highly-innovative established firms. Future researchers might expand on the current research by focusing on any of the following constellation of related questions: what additional improv exercises can be used to develop specific effectual skills?; which improv exercises are more useful in corporate training v. academic settings?; expanding on pedagogically-related empirical improv-exercise research—such as work by Rocco and Whalen (2014) which demonstrates the value of Yes, And… in a traditional sales context—what improv exercises are better suited for general education courses in entrepreneurship or innovation v. more specialized courses related to new product development, design or entrepreneurial sales?; is it more effective to integrate effectuation-building improvisation exercises into short modules of say two or three weeks of a full semester v. dispersing exercises throughout an entire traditional semester?; what is the optimal number of participants per exercise and the best way to deploy given exercises from an effectuation-building standpoint?; can traditional MBA teaching assistants be effectively coached to assist with in-class improv exercises or is it more effective to bring in performing-arts teaching assistants and/or local improv coaches and troupes? It is hoped that these and related questions are explored by researchers in the near future.

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WHEN LESS IS MORE? HOW THE RICHNESS OF RESOURCES INFLUENCE ON THE VALUE CREATION STRATEGIES FOR NEW TECHNOLOGY-BASED VENTURES?

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ABSTRACT

This article studies whether resource positions have an influence in the early value creation efforts of technology-based ventures. We complement the resource-based view expectation on the positive effects of holding unique resources, with demand-side views such as adopting a pull or push technology-market strategy. We use a sample from a longitudinal dataset (Kauffman Firm Survey) to test our hypotheses. The results show that technological resources alone do not positively influence on value creation, and that marketing resources could potentially have a stronger impact on value creation for new technology-based ventures in dynamic technology markets.

INTRODUCTION

An essential part of the success or failure of an entrepreneurial startup is linked to their ability to create a market for their products or services. Prior research in entrepreneurship provides a good understanding on the market creation dynamics for new ventures entering established markets, suggesting that a new venture’s resources (human and social capital, financial and technological) could provide insights on the early-stage startup’s performance (Gans and Stern 2003).

Nevertheless, we have limited insights on the influence of initial resource configurations in turbulent environments (Giones et al. 2013). In these contexts, startups face “new market” situations (Teece 2010), where unknown customer heterogeneity increases uncertainty on the market structure and needs. Technology-based entrepreneurs aiming to bring a new product to an undefined market provide an illustration of this specific market creation context (Giones and Miralles 2015; Hsu 2008).

In this type of contexts, technology-based startups face a classic dilemma between technology-push and demand-pull innovation strategies (Brem and Voigt 2009). Is market performance related to the new venture's technological resources and value proposition capabilities? Or, does it depend on the new venture's actions to increase its capacity to understand, and propose product solutions that can be valuable to customers in the market.

In order to study this phenomenon, we propose to combine resource-based view (RBV) insights on the expected influence of the startup’s resources, with demand-side view (DSV) insights on the expected influence of value creation strategies (Priem, Li, and Carr 2011). We argue that the ability to balance technology and market orientation with the existent resource positions can have a positive impact on the startups’ value creation, and thus overall market performance.

We use a longitudinal study panel data on new technology-based startups to test the expected mediator effects of value creation strategies. The results provide empirical evidences on the valuable contributions from the demand-side view in entrepreneurship research, as well as insights for entrepreneurs navigating in new market and rapidly changing contexts.

THEORETICAL FRAMEWORK

The RBV proposes that we can explain the competitive performance of firms by observing their resource combinations. In the context of new ventures, RBV explains the market performance of new firms by studying their unique combination of valuable resources (Newbert, Gopalakrishnan, and Kirchhoff 2008). Unfortunately, the RBV’s focus on the influence of unique resources to compete with other firms to capture value, gives little attention to the value creation activities that are needed in “new markets” situation (Godley 2013).
The demand-side view (DSV) suggests that firms create value by identifying and developing solutions for unexploited market segments (Priem, Li, and Carr 2011). RBV builds on the assumption of consumer heterogeneity to explain why some firms with similar resource combinations might actually achieve different market creation results.

Therefore, from the side of the RBV perspective we would expect that firms with "richer" combinations of resources that could be valuable in this context (human capital, financial, and technological resources), would exhibit a higher market performance as they would be able to capture more value than other startups (Colombo and Grilli 2005; Hsu and Ziedonis 2013; Ramaswami, Srivastava, and Bhargava 2008). From the side of the DSV, we would expect that firms that activate the right value creation activities would be able to achieve a better market performance.

These two perspectives have the new venture as the focal point. The organizational performance perspective of the resource-dependence theory provides a conceptual linkage between the two perspectives: startups' resource positions might explain the adoption of value creation strategies depending on their resource dependency. Overall, we hypothesize those combining firms' resources and value creation strategies; we can provide a better understanding of new venture performance.

- H1a: Firm’s human capital has a positive influence on firm’s value creation.
- H1b: Firm’s technological resources have a positive influence on value creation.
- H1c: Firm’s marketing resources have positive influence on value creation.

In particular, we expect that firms’ decisions on their value creation strategy (push vs. pull) will also have an effect on the market performance (value creation) of the new firm (Brem and Voigt 2009).

- H2a: Firm’s technology-push orientation positively influences value creation
- H2b: Firm’s demand-pull orientation positively influences value creation

**RESEARCH DESIGN**

We use a sample of 290 high-technology firms from the Kauffman Firm Survey (KFS) to test the hypotheses. The KFS is a longitudinal study of new businesses in the United States registered in the Dun & Bradstreet (D&B) database. We analyze the characteristics and changes of the firms in a four-year period (baseline and three data waves: 2004-2007).

We measure the dependent variable of market performance using firm's revenues. The resource's independent variables are measured as follows: human capital (industry and entrepreneurial experience), market resources (trademarks), and technology resources (patents). The value creation options used: technology-push (change in % employees R&D (dev), change in patents number (dev)), demand-pull (change in % employees in sales (dev), change in trademarks (dev)). We control by firms that offer product or services to bring their technological innovations to market.

**DATA ANALYSIS & RESULTS**

We use a mixed-effects regression to test the hypotheses. In addition we also test the expected effects from the value creation strategies (technology-push or demand-pull) on the relationship between startups' resources and market performance.
The results (see Table 1) provide partial support to the expected linkage between resources performance, suggesting that while initial financial resources have a positive influence, human or technological resources have rather limited impact. The results also show the positive impact on the simultaneous combination of technology and market value creation strategies; contrary to our expectations that one would dominate among the other depending on initial resource configurations.

### IMPLICATIONS

This study contributes to the open call on introducing the demand-side on entrepreneurship research, describing how entrepreneurs’ value creation strategy provides valuable insights to explain the market performance of new technology-based ventures. The findings of this research have implications for entrepreneurs and those interested in bridging the gap between the fields of marketing and entrepreneurship.
ACKNOWLEDGEMENTS

The authors wish to thank the Kauffman Foundation for providing access to the NORC Enclave for the Kauffman Firm Survey. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the authors and do not necessarily reflect the views of the Ewing Marion Kauffman Foundation.

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REVISITING ENTREPRENEURIAL MARKETING THROUGH AN EXTRAORDINARY ARTIST CASE: ‘CASTLE WINDOW METAPHOR’ IN THE CONTEXT OF INNOVATION AND LEGITIMACY

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ABSTRACT

By the inspiration of the theme: ‘improvisation, effectuation and creation theory’, the paper focuses on an extraordinary artist as an Entrepreneurial Marketer (EMarketer) in order to understand the survival experience in ‘the dilemma between innovation and legitimacy’ in art industry. It is also aimed to contribute to the comprehensive and holistic understanding of EM (Entrepreneurial Marketing) as a continuous act in the delta of art-entrepreneurship-marketing by the theoretical concept. It is believed that, art oriented approach to EM both matches with the art oriented theme of 2015 GRSME and the creativity & experienced oriented nature of EM in order to foster innovation in general.

Keywords: Entrepreneurial marketing, extraordinary artist, innovation, legitimacy

INTRODUCTION

Basing on the powerful link between marketing and entrepreneurship (Collinson and Shaw, 2001; Morris et al., 2002; Bjerke and Hultman, 2002; Hills et al., 2008) and the initial efforts on “putting entrepreneurship into marketing” (Stokes, 2000) EM research is enlarged in different scopes and in different industries. In the scope of the main subjects of EM such as “value creation”, “opportunity” and “innovation” (Hills et al., 2008; Schindehutte and Morris, 2010) EM offers entrepreneurial orientated dimensions such as risk taking, innovativeness and proactiveness (Covin and Slevin, 1989; Morris et al., 2002).

Shane and Baron (2007) define entrepreneurship as a process and a way of life and presentation of something that has not been done by others yet. Innovation is the outcome of the entrepreneurship process and ‘value creation’ (Kim and Mauborgne, 2005) is the most important concept in the innovation framework. Turman (2005) defines innovation as any activity that adds value to and welfare to a firm or society. Extended definitions point out the link between art-entrepreneurship and innovation. Art as an innovation and a promising niche industry has a potential to contribute to EM literature in theoretical and practical ways: ‘Art as a concept’ and ‘Art as an industry’ or ‘Artist as an EMarketer. In order to work on the triangle of art-marketing-entrepreneurship, marketing & entrepreneurship point to art (Fillis, Rentschler, 2005;) and art points to marketing & entrepreneurship (Fillis, 2000, 2002, 2004, Rentschler and Geursen 2004, Gökbulut, 2007; Gökbulut, 2014). As Fillis (2009) stressed, the art-based approach, analysis of artists’ lives, philosophies and practices can generate a range of marketing data.

In the fruitful delta of art-entrepreneurship-marketing, this study is an on-going effort to explore EM behavior in art industry and ‘social value creation’ of art-related innovative SMEs (Gökbulut, 2013). In the theoretical concept; this study investigates the dilemma between innovation (EO-IO) and legitimacy (MO-CO) through the key role of EM as it is pointed out as a research gap. In the practical inquiry; the previous individual focus of “Why do some but not others?” (Baron, 1998) of entrepreneurship is directed to the extraordinary artist in terms of the EM behavior and survival context.

Although art is not relatively popular and artists are the extraordinary individuals of the society, Tooby and Cosmides (2001) expressed that each human was designed to be an ‘artist’. This approach can be considered in existentialism as a form of ‘courage to create’ (May, 1994) or a need of ‘self-fulfilling’ (Errington, 1998) in psychology depending on the unique characteristics of all individuals. However only “a few” of the individuals realized this unique potential and act as EMarketer. Hence “the survival of the few by EM” is the focus of the study and pushed forward the paper to generate an integrated concept: “the purple dilemma between innovation and legitimacy” which is based on re-thinking and interpreting some insightful concepts and approaches such as EMICO Framework (Jones and Rowley, 2009), Market-Driving and Market-Driven Behaviors (Schindehutte et. al., 2008), Blue Ocean Strategy (Kim & Mauborgne, 2005) and Red Quean Effect (Schindehutte and Morris, 2010).
PRACTICAL INQUIRY AND METHODOLOGY

Depending on the “Why do some but not others?” question of entrepreneurship research (Baron, 1998) to understand the entrepreneurial behavior, “a few” is the vital research unit of EM. This study is based on a qualitative method and presents an alternative approach focusing on an individual case: an extraordinary artist. Yin (2009) postulates that a case study uses empirical inquiry that investigates a contemporary phenomenon within its real-life context. Additionally, the case study method has significant relevance to the unique nature of individual artist in order to get insights to EM theory and practice. It is believed that individual focus for getting in-depth data collection is essential while searching in an area such as EM, which needs the comprehensive understanding of an individual decision maker. Similarly the artist case is essential in terms of unique & pioneer qualities of the individual artist, which has potential to inspire the other actors of EM in any industry.

Case selection: As a phenomenon existing in all cultures (Leder, et. al, 2012) art is universal. Armstrong and Tomes (1996) emphasized that the universality of art lies in its potential for enlightenment, rather than the popularity. Whilst there is various research on well-known/popular artists as a commercial brand (such as Picasso, Warhol, Hirst, Kinkade, etc.) this study embraces to focus on any “art oriented” artist’s life, philosophies and practices, basing on an ‘universality of art’ and ‘uniqueness of the artist’. Since in its core the art process is a similar act in terms of ‘universality of art’ and all artists’ acts are different in terms of ‘uniqueness of artist and art work’. Furthermore it is believed that going out of the globally popular artist cases is parallel to the alternative nature of the EM approach. Therefore, the paper seeks to get insight from the contemporary artist Nur Gökbulut, known by her extraordinary and unique style since her early works (Özsezgin, 1997; Gençaydın, 1997; Gültekin, 2002; Giderer, 2002; Günyaz, 2003) as an EMarketer surviving in the “purple dilemma between innovation and legitimacy” that occurs for all industries.

Data collection: Individual depth interview is the data collection method besides essays about the artist. Open-ended questions were proposed to get information about ‘creating value’ and ‘legitimacy’ processes of the artist in different dates. In the first stage of the interview, which took 2.5 hours, the questions focused on the art production and style of the artist while the second stage of the interview, which took 3 hours, investigated the legitimacy issue. All interviews were recorded and later transcribed verbatim. Data obtained from the interviews were encoded and analyzed basing on subtitles: purpose of artistic production, style, value creation process, gaining legitimacy and survival strategy.

FINDINGS AND CONCLUSION

Creating value, gaining legitimacy and survival strategy is the focus of the qualitative study through analyzing an “extraordinary Turkish contemporary artist: Nur Gökbulut as a case who can be considered as an EMarketer of the art industry/market. Findings of the case study present an alternative theoretical concept by linking the EM & Art and generate a practical EM strategy embraced by the Nur Gökbulut: “castle window metaphor”. Narrow outside & enlarged inside of the castle window (Photo: 1c, 2c, 3b, 3c) represents the nexus between individual and environment that is transformed to the nexus between the Emarketer and the Market and gives an insightful and alternative view to the “purple dilemma between innovation and legitimacy” as expected from art-based approach.

The study is valuable for generating an alternative concept by integrating previous concepts: “purple dilemma between innovation and legitimacy” on the theoretical side and considering it with “castle window metaphor”. Therefore it is possible for EM reaching to a more holistic and integrated and an inclusive approach of economic & social survival of individuals in the market and society.

At the end it is possible to say that, art is a castle both for the artist to guard his/her ‘core essence’ and to guard the society in terms of universal need. However castles are different in style (Photo: 1b, 2b, 3a) for all artists parallel to their uniqueness. Also EMarketers built a castle and battle for it similar to the artists. With the words of Nur Gökbulut; “An individual artist is essential as a part of the universal art as a contemporary seed in the endless forest that makes the forest alive and sustainable.”

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APPENDIX

REFFERENCES


ABSTRACT

The concept of ‘customer development’ is embedded in new and emerging entrepreneurship teaching, training and development curriculum. ‘Customer development’ may also be central to a different perspective of entrepreneurial marketing. Blank (2014) has outlined ‘customer development’ as marketing within his combination of Lean Start-up and Business Model Generation entrepreneurship teaching and training curriculum. ‘Customer development’ is analogous to software development cycles. The Lean Start-up framework (Ries, 2011) is actually built around customer development, with users providing feedback on new products but they are not ‘customers’. Later stages of the Lean Start-up framework focus on releasing refined versions of product to defined paying customers but in sufficient numbers to develop sustainable revenue streams and scalable business models. At the sustainable business stage more conventional marketing approaches to customer management become viable. This paper will explore definitions and aspects of customer development within entrepreneurial marketing including a new notion of customer models. Entrepreneurial Marketing Customer Development (EMCD) is designed to focus on marketing for startups – but in a business environment of increasing relentless innovation, disruptive and change may become the dominant logic for future ‘marketing’ and defining and developing future ‘customers’.

Keywords: customer, development, cycle, entrepreneurial marketing, business model, value, user

CUSTOMERS AND CUSTOMER DEVELOPMENT: INITIAL DEFINITIONS

The term ‘customer development’ is emerging as a framework for start-up businesses and entrepreneurs to integrate creation and enhancement of products and services, and business models. Customer development is also central to definitions of marketing – “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA, 2013). Logically, an entrepreneurial marketing perspective should accommodate integration of products and services, business models, and customers. Initially, the question, although basic, needs to be raised ‘what (or who) is a customer’? A traditional definition of a customer is “The actual or prospective purchaser of products or services.” (AMA, 2015). ‘Customer development’ from a marketing perspective could be defined as focus on converting ‘purchasers’ from a potential to actual and ongoing state.

Customer Development for Startups

Blank (2007) defined and positioned a ‘customer development’ model for startups as a distinct process for “learning and discovering who a company’s initial customers will be, and what markets they are in” (Blank, 2007, 15). His model – also known as ‘The Four Steps to the Epiphany’ – includes customer discovery, customer validation, customer creation and company building (Blank, 2007, 19).
Blank developed his model into startup business and entrepreneurship training curriculum, adding the Lean Startup (Reis, 2011) and Business Model Generation (Osterwalder & Pigneur, 2010).

Blank’s Customer development model is analogous to software development cycles – drawing on systems analysis and design, project management, design thinking perspectives, sense making and cognitive mapping perspectives, and ultimately enactment – for developing a business, its products, services and processes – and its ‘customers’. Underlying Blank’s overall customer development model and Reis’ Lean Startup framework is an agile software development cycle perspective, focused on very fast and frequent prototyping and releases, rather than strictly defined and scheduled more completely tested product/service launches. Learning faster and adapting – or pivoting – or even failing faster, may reduce high startup failure rates.

The Lean Start-up framework (Ries, 2011) is built around customer development. Initially the start-up develops a product with a view to accelerating learning about validation or rejection of their offering. The product is offered to a set of interested users who provide feedback on their experience as validated learning. These users are not customers when viewed from a traditional marketing perspective. Later stages of the Lean Start-up framework (steer and accelerate stages) focus on releasing refined versions of product to defined paying customers – but even at that point the start-up may still have to seek and develop more and different customers to achieve a sustainable profitable business organization – and business model.

Over the last fifteen years the term business model has developed from merely being an expression used in the dot.com to put a business online to representing the architecture of a business (Teece, 2010), including a single visualizations of the key elements of a business (Business Model Canvas, Osterwalder & Pigneur, 2010).

Closer inspection of embedded frameworks within Blank’s customer development model raise questions about what is a ‘customer’?

**Before and After The Customer Development Model**

Definitions of customers and customer development contain an explicit assumption that an actual or prospective purchaser of products or services exists. The customer discovery step of the model deals with entities who are valuable for developing products and services but may not turn into customers. Reis’ Lean Startup framework starts with users selected trying out products to provide feedback and learning – but don’t necessarily go on to purchasing. A more complete customer development cycle should include these users.

A further complication in the Lean Startup framework and even at the third step of Blank’s customer development model (creating customers) is that where users meet the ‘customer’ qualification of actually purchasing a good or service, are there enough of them to develop a sustainably growing revenue to enable scaling up of the business? If there is not, then customer development is finished. So clearly there is a user-to-customer conversion point (U2CCP), then a scalable customer revenue stream point (SCRCP) linked to business scalability.
At the sustainable, scalable end of the customer development model, as businesses grow, and are able to invest more into marketing activities, more conventional frameworks for customer acquisition and retention can be applied. Customer development merges into marketing as businesses scale up through sustainable levels of customers generating profitable revenue streams.

Blank’s (2014) views on design thinking versus customer development are interesting when considering customer development after sustainable business establishment. Design thinking (Brown, 2008) is associated with developing new products, services and processes and situated as a central framework within recent and emerging innovation and entrepreneurship teaching and training and creativity programs, representing a systems analysis approach to organising, experimenting and prototyping ideas and business models. Design thinking is also popular with established and middle to large businesses innovating their existing offerings. While Blank recognizes common customer discovery processes in design thinking and customer development approaches, he attempts to differentiate through:

- Customer Development starts with, “I have a technology/product, now who do I sell it to?” versus Design Thinking starts with, “I need to understand customer needs and iterate prototypes until I find a technology and product that satisfies this need”
- Customer Development is optimized for speed and “good enough” decision making with limited time and resources versus Design Thinking is optimized for getting it right before we make big bets (Blank, 2014)

Rather than differentiation, an extended form of a customer development could incorporate design thinking into marketing.

**Customer Development from The Customer’s Perspective**

Blank’s customer development perspective ultimately focuses on building scalable businesses. Blank uses the Lean Startup framework for efficient, agile development of minimum viable products (Reis effectively uses a service-dominant logic perspective (Vargo & Lusch, 2004) to define ‘product’) in alignment with developing business models (see figure 3). Several iterations of combinations of minimum viable product are executed as key actions within the customer development cycle although the business model component becomes critical in step 4 of his Model (company building).
Osterwalder & Pigneur (2010) focus on generating visualizations of business models. Reis (2011) is focused on being as lean as possible in creating – and if necessary – failing business as quickly and efficiently as possible. Each of these frameworks takes an entrepreneur’s view of a customer – but what if the view was the other way round? Pigneur (2015) recognized that the concept of customer development required more analytical frameworks and grounding – expressed through the value proposition canvas fitting mapped value to customer profiles.

Osterwalder et al. (2014) articulated the value proposition element of their business model canvas into an additional canvas. The Value Proposition canvas is based on matching mapped value to customer profiles. Osterwalder and Pigneur have also stretched the notion of business model generation into other contexts including developing individual personal business models (Clark, Osterwalder & Pigneur, 2012). Is there a place for Customer Models?

Logically a first step may be to view customers as if they are business models with essentially the same elements as a business model canvas. Whether a customer is an individual or a group or a business they would have their own models and developing products, services and value. They would be developing themselves or associated business entities in a scalable form. Marketing could be through understanding customer business models and aligning them with business models. Intuitively this approach would appeal to B2B marketing. Attempting to draw and understand a customer’s business model and their value proposition canvas, and align them with their own could become a B2B major marketing (B2B customer development) activity.

A service-dominant or co-creation perspective (Vargo & Lusch, 2004) or a ‘software as services’ standpoint encourages identification and development of customers and customer value not just from a traditional business-to-business marketing alignment but through business to co-consumer marketing alignment. Hand-in-hand with co-creation is customization scaling down to one-to-one marketing – which could support single customer models. Developing customer models beyond a unit of one is reasonably addressed through market segmentation and marketing.

**ENTREPRENEURIAL MARKETING AND CUSTOMER DEVELOPMENT**

Recent definitions of entrepreneurial marketing focus on mindsets and orientation. Hills & Hultman’s (2011) definition is: Entrepreneurial marketing is a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing venture that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility

Jones & Rowley (2011) highlighted an entrepreneurial marketing orientation for SME’s based on an intersection of Market Orientation (MO), Customer Orientation (CO), Innovation Orientation (IO), and Entrepreneurial Orientation (EO).

Miles, Crispin & Kasouf (2015) define entrepreneurial marketing as based on marketing thought including Market Orientation, Dynamic Capabilities, Disruptive Technologies and Service Dominant Logic.
Assessing Blank’s customer development cycle (including the lean startup and business model generation enhanced with value proposition design) against these entrepreneurial marketing definitions highlights various alignments and differences. The customer development cycle fits Hills & Hultman’s (2011) entrepreneurial marketing definition of launching and growing ventures – but more focused on execution than a spiritual position. The customer development cycle should apply to an Entrepreneurial Marketing Orientation for SME’s – but really seems to only fit into the Entrepreneurial Orientation (EO) focused on research and development, speed to market, risk-taking, and pro-activeness. Aulet (2013) challenges classification of small and medium enterprises (SME) by innovation and entrepreneurship. Small and Medium Enterprise (SME) entrepreneurship is typically small, local or regional and family or individual owned. These enterprises typically are not scalable in terms of local focus, or number of employees over time. Innovation-driven enterprise (IDE) entrepreneurship focuses on scalability in terms of technology, national and global each and market development (Aulet, 2103, Introduction). IDE’s fit well into Blank’s customer development cycle focused on scalable innovative businesses. Perhaps a specific IDE Customer Development framework could be developed.

Mile, Crispin & Kasouf’s (2015) framework for entrepreneurial marketing offers the closest definitional alignment for Blank’s customer development model. Dynamic capabilities and service dominant logic are strong themes within the lean startup, business model generation and customer development frameworks. Blank and Reis focus on startups taking advantage of second machine age disruptive technologies to innovate through digitisation (Brynjolfsson & McAfee, 2014; Pattinson, 2014).

Figure 4 outlines ‘Entrepreneurial Marketing Customer Development’ based on development of users into initial and sustainable customers and ongoing innovation using design thinking, through sensemaking and analysis using combinations and iterations of the learn startup (Minimum Viable Product - MVP), business model generation enhanced with value proposition design, and development of customer models. Customer models start with discovery, creation and mapping, evolving into single one-to-one and co-creation models, and market segmentation. Entrepreneurial Marketing Customer Development (EMCD) draws on knowledge, principles and frameworks from Service Dominant Logic, Market Orientation, Dynamic Capabilities and Disruptive Technologies.
EXTENDING ENTREPRENEURIAL MARKETING CUSTOMER DEVELOPMENT TO ‘MARKETING’

Miles, Crispin & Kasouf (2015) developed their entrepreneurial marketing framework flowing from key marketing knowledge and practice to emphasise its importance to the future of marketing. Although the Entrepreneurial Marketing Customer Development (EMCD) framework presented in this paper is focused on startups and new product/service development, in a business environment of increasing relentless innovation, disruptive and change this type of EMCD may well become the dominant logic for future marketing and defining and developing future ‘customers’. EMCD may be a unifying marketing framework, but it also could be broken out to focus on key subsets including innovation-driven-enterprises (small, medium and large) and co-creating entities. The first half of the second decade of the twenty-first century has seen new approaches to developing ‘customers’ and ‘businesses’ – with much more to come from 2015 to 2020.

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THE IMPACT OF MANAGERIAL CONTROL PREFERENCE AND KEY ACCOUNT LOYALTY FOCUS ON 
ESCALATION OF COMMITMENT IN FAMILY FIRMS

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INTRODUCTION

The tendency of decision-makers to “stay the course” and continue with a course of action that is failing to accomplish optimal financial results is a phenomenon known as financial escalation of commitment (Staw, 1976, 1981; Staw & Ross, 1978). Persevering with an initially unsuccessful course of action sometimes leads to eventual financial success, but it often leads to chronic financial under-performance (DeTienne, Shepherd, & Castro, 2008) and/or bankruptcy (Daily & Dalton, 1994). It is surprising how often different decision-makers facing the same type of decision – subject to the same constraints and privy to the same information – come to different conclusions about what course of action is most likely to produce optimal financial results. This research presents new empirical results which help to explain why some family firms outperform other ones financially. It shows that, if decision-makers can look beyond the importance of the continued loyalty of key customers, the goal of maintaining ownership, control, and family involvement produces above-average financial results.

MANAGERIAL CONTROL PREFERENCE

The attention-based view of the firm (Ocasio, 1997) suggests that attention-focusing mechanisms such as dominant logic (i.e., a cognitive framework regarding “what is important”) (Prahalad & Bettis, 1986) are major factors which explain the competitive behaviors and ultimate performance heterogeneity between firms. Stated differently, the cognitions of business decision makers, as bounded by the dominant logic they follow, are a key resource which impacts the competitive performance of firms (Barney, 1991; Reger & Huff, 1993).

If a firm’s dominant logic causes decision-makers to filter information about the financial shortcomings of a prior course of action, it can encourage financial escalation of commitment. Decision-makers in family organizations are often driven by “non-financial logic,” a cognitive filter which leads these decision-makers to focus primarily on information relevant for assessing the success of certain non-financial (family) priorities. Such focus can lead decision-makers to screen out the financial implications of decisions. For example, provision of employment to an untrained family member at cost to the business (Schulze, Lubatkin, & Dino, 2003), or maintenance of ownership and control over the business in the hands of the family regardless of the financial gains which could be realized by involving additional owners and/or managers in the business (Anderson & Reeb, 2004), are common in family firms.

Hypothesis 1: Decision-makers in family firms who prioritize maintaining family managerial control over the business are more likely to escalate commitment to financially sub-optimal courses of action.

KEY ACCOUNT LOYALTY FOCUS

The bounded rationality (Simon, 1957) of human decision-makers leads them to utilize decision-making heuristics when assessing information. The representativeness heuristic is a psychological mechanism which allows decision-makers to economize the amount of information they consider in their situational assessments by focusing on the similarity of certain pieces of situational information to the characteristics of information categories in their individual frames of reference. Representativeness is often an effective heuristic for decision-making because in many situations, similarity is indeed highly correlated with cognitive category membership (Gigerenzer & Gaissmaier, 2011). However, the representativeness heuristic has its limitations. In particular, it is insensitive to base rate frequency (i.e., the prior probability of something occurring) and it tends to favor positive descriptions (Tversky & Kahneman, 1974).

Representativeness can lead to inaccurate conclusions because it is insensitive to the base rate frequency. Decision-makers tend to categorize firm performance as successful, for example, based on just a few key indicators (Bayster & Ford, 1997), such as maintenance of key accounts. Firm performance, however, can be caused by a number of factors besides
maintenance of key accounts. Many of these causes, such as the need for the firm’s product or service in the marketplace, occur with much greater frequency than the specific activities associated with the firm’s project.

Representativeness can also lead to inaccurate conclusions because decision-makers tend to assume that favorable descriptions are correlated with success, regardless of whether or not the information in the description is relevant for predicting success (Tversky & Kahneman, 1974). Focusing attention on particular goals tends to heighten awareness of information relevant for that goal (Krantz & Kunreuther, 2007), and decision-makers tend to be more perceptive of positive information which indicates achievement of the goal, rather than negative information which indicates failure to accomplish the goal (Weber & Kirsner, 1997). This is especially the case when the goal is personally important to the decision-maker (Schulz-Hardt et al., 2009). In family firms, family identity and self-esteem are often wrapped up in decision-makers’ perceptions of the loyalty of customers to the quality (Abdel-Maksoud et al., 2005) and positive family brand image of the firms’ products.

**Hypothesis 2:** Decision-makers in family firms who focus more on key accounts in their use of the representativeness heuristic are more likely to escalate commitment to financially sub-optimal courses of action.

**Hypothesis 3:** Decision-makers in family firms who focus more on customer loyalty in their use of the representativeness heuristic are more likely to escalate commitment to financially sub-optimal courses of action.

**RESULT**

This study applied stepwise hierarchical regression analysis, along with backward stepwise Wald logistic regression analysis, to test the hypotheses outlined above in a nationwide sample of 219 family firms across the US.

Preference for managerial control (three-measure scale, responses ranging from 3 to 15) was negatively predictive (Wald = 4.755, P = .029; B = -.841, Exp(B) = .431) of financial escalation of commitment in a dichotomous measure of firm revenue growth (firm revenue growth rate from 2011 to 2013, scaled to the average revenue growth rate in each respondent firm’s industry, with positive numbers representing above-average revenue growth and negative numbers representing below-average revenue growth). This result contradicts hypothesis 1, and it suggests that preference for family managerial control actually has a POSITIVE impact on financial performance.

Key account focus (two-measure scale, responses ranging from 2 to 10) was positively predictive (r = .224, p = .001) of financial escalation of commitment in respondents’ answers to two short decision-making scenarios assessing the likelihood of success if they were to continue with a prior, unsuccessful (but familiar) course of action versus a new course of action with a higher potential future value (two-measure scale, responses ranging from -100 to +100). This result provides support for hypothesis 2.

Customer loyalty focus (two-measure scale, responses ranging from 2 to 10) was also positively predictive of financial escalation of commitment in the decision scenarios (r = .306, p = .000). This result provides support for hypothesis 3.

References are available upon request.
CASE-BASED VALIDATION OF ENTREPRENEURIAL MARKETING AS A MAINSTREAM MANAGERIAL PHILOSOPHY

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ABSTRACT

During and subsequent to the Great Recession a small number of major organisations have continued to enjoy rising profitability and/or their share values on the world’s stock markets have outperformed the overall market. Members of this fortunate group can be divided into (a) traditional sector operations such as oil & gas and (b) another group which is exemplified by firms such as Amazon, Apple, Google, Facebook and Toyota (Chen, 2014). Most major branded goods companies are still struggling to return to the level of profitability they enjoyed at the beginning of the new millennium. Furthermore at the beginning of 2015, major oil companies such as BP and Exxon, which during the downturn had sustained a reasonable level of profitability are facing a significant decline in financial performance in the face of major fall in world oil prices. In contrast on January 27th 2015, Apple announced quarterly profits of $18 billion, beating the previous world record of $15.9 billion by Exxon in 2012 (Anon., 2015).

The important attribute shared by firms such as Amazon, Apple, Google, Facebook and Toyota has been their sustained commitment to marketing leading edge products and services evolved through exploiting the philosophy of entrepreneurial marketing. Certain key characteristics associated with this managerial philosophy include a ‘proactive orientation, being ‘opportunity driven’ engaged in ‘value creation’, exhibiting ‘customer intensity; a strong ‘innovation focus,’ an ‘innovation culture’ and a ‘willingness to change’ (Morris et al., 2002).

Many of characteristics proposed by Morris et al. are not necessarily unique to entrepreneurial organisation. An alternative specification of a more certain indicator of entrepreneurial organisational behaviour based upon case materials analysis concerning the activities of high growth organisations suggest a more unique characteristic that entrepreneurial marketing is the behaviour exhibited by an individual and/or organisation which utilises the philosophy of repeatedly challenging established market conventions’. Importantly this characteristic is found among (a) both large and small firms and (b) firms in long established industry sectors (e.g. Toyota case materials).

On the basis of a case-based assessment of high growth firms suggests that key attributes associated with breaking conventions include:

- Exploitation of technology (case materials -the iPhone)
- Long-term commitment to exploiting technology (case materials – Amazon.com)
- Involvement in open innovation (case materials – Google’s Android)
- Acquisition of new knowledge (case materials – Facebook acquisition strategy)

The poor performance of many major companies in recent years can be contrasted by the case-based exemplars of firms have recognised the benefits of entrepreneurial marketing to sustain performance even in the face of difficult trading conditions. Hence it would seem reasonable to conclude that more organisations could benefit from considering a move towards adopting an entrepreneurial marketing philosophy to improve future performance.

REFERENCES


Crowdfunding through websites such as Kickstarter is becoming an increasingly important source of funds for artists, innovators, and entrepreneurs alike. Extant studies have identified several factors leading to crowdfunding success, such as the personal networks of the entrepreneur, media coverage, quality of the product and the campaign website, as well as education and start-up experience of the entrepreneur (Davis & Webb, 2012; Mollick, 2014; Younkin & Kaskooli, 2013). In addition, we believe that what the entrepreneur(s) actually say when pitching their projects on the crowdfunding site matters: the impressions created by entrepreneurs’ stories and words play a significant role in their efforts to raise crowdfunding. While much of the emerging research on crowdfunding has focused on the non-verbal determinants of favorable impression formation, the role of verbal behaviors has been largely ignored.

According to the research in psycholinguistics, the words that we use reflect our attentional focus, emotionality, social relationships, thinking styles and personal characteristics. There is even some evidence suggesting that the frequency with which individuals use certain word categories are linked to some real world outcomes, such academic or job performance (Robinson, Navea & Ickes, 2013; Berry et al., 1997) In this research, we rely on the theories of communication and social perception to analyze the language use of entrepreneurs pitching their ventures on crowd-funding portals. Our first goal is to compare the language use of for-profit entrepreneurs to that of social entrepreneurs. Second, we aim to determine how entrepreneurs’ verbal behaviors influence their chances of raising funding, and whether the successful language use of for-profit crowdfunding campaigns differs from that of social entrepreneurs.

Reflecting the primarily communal goals of social entrepreneurs, we expect their campaigns to be more socially (community) oriented, idealistic, and emotionally appealing than those of for-profit entrepreneurs. Indeed, while the crowd that invests in any kind of creative project online gets the primary benefit of simply feeling good about helping others, investors in socially focused projects may be particularly keen to “feel good” about their investments. To facilitate this, social entrepreneurs may emphasize concrete actions to change a social injustice and the vision, ideals, and purpose that drive their work (cf. Allison et al., 2013). We expect the dissimilarities between commercial and social projects to manifest themselves in the differing use of word categories in entrepreneurs’ fundraising pitches.

We use the language expectancy theory—a language-specific theory of social perception—to formulate hypotheses on the determinants of successful language use for social and for-profit ventures on crowdfunding platforms. According to the language expectancy theory, people develop cultural and sociological expectations about language behaviors of the communicator. The use of language that negatively violates normative expectations fails to result in the desired communication outcome. In a similar vein, language that positively deviates from the appropriate persuasive communication behavior facilitates communication effectiveness. It is important to note that the expectations regarding language use, and thus, linguistic freedom, vary for different social groups. In the context of our study, the social entrepreneurs are likely to face the demands of both social orientation and commercial orientation, whereas for-profit entrepreneurs are mostly judged by their profit orientation. Therefore, we expect that the social entrepreneurs have less linguistic freedom (more constricted linguistic bandwidth) than for-profit-entrepreneurs.

**METHOD**

Our sample includes 450 crowd-funding campaigns listed on Kickstarter and Start Some Good platforms in 2013-2014. Kickstarter is the world's largest crowdfunding platform for all types of creative projects, while the Start Some Good website caters for social change initiatives, whether non-profit, for-profit or unincorporated. The social campaigns in our data were active on the Start Some Good platform, and the for-profit campaigns are from Kickstarter. We used written descriptions and transcribed video pitches to analyze the linguistic content of the crowdfunding campaigns. The linguistic content of crowdfunding campaign materials was analyzed using DICTION and LIWC (Linguistic Inquiry and Word Count) software packages.
RESULTS / IMPLICATIONS

Our preliminary results show that the language used in for-profit crowdfunding campaigns differs significantly from social campaigns. As expected, social campaigns include more communal language with frequent use of personal pronouns and words describing social interaction and social groups. Social crowdfunding campaigns also include more references to morals, values and ideals, hardship, health and death. In addition, the language used in social crowdfunding campaigns was found to be more concrete through the frequent use of temporal terms, spatial terms, and numbers. For-profit crowdfunding campaigns, in their turn, include more self-references and words related to certainty and confidence. For profit campaigns were also characterized by more frequent use of articles and auxiliary verbs, reflecting a greater interest in objects and a more passive tone. Finally, our data seems to confirm the prediction formed based on the language expectancy theory: social crowdfunding campaigns are rewarded for their social orientation, but their linguistic bandwidth seems to be more limited. Deviations from the norm have a greater impact on their fund-raising success than in the case of for-profit campaigns.

Our study generates new knowledge on what facilitates success on crowdfunding platforms. In particular, we demonstrate that different rules govern the language use of social and for-profit entrepreneurs. From a theoretical point of view, this is one of the first studies drawing on the psycholinguistics and language expectancy theory in the context of entrepreneurial finance. From a practical point of view, we hope that our study helps entrepreneurs design more effective crowdfunding campaigns.

References are available upon request.
ENTREPRENEURS AT THE MARKETING INTERFACE: THE MEDIATING ROLE OF MARKET-BASED CAPABILITIES ON FIRM PERFORMANCE

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ABSTRACT

Entrepreneurial orientation (EO) and its impact on firm performance has been a central topic in research for a number of years now (Covin and Wales, 2011); however, the field has yet to more rigorously investigate many of the factors that may serve to influence this relationship. This study provides an exploratory investigation into the marketing influences (e.g., market-based capabilities) that are argued to mediate the relationship between entrepreneurial orientation and SME performance. Thus, the current work has two main objectives. First, the study explores the relationship between market-based capabilities and SME performance. Second, the study specifically investigates whether market-based capabilities serve to mediate the entrepreneurial orientation-firm performance relationship in SMEs.

A within subjects research design using an online survey was administered to entrepreneurs from SMEs across four industries (manufacturing, construction, research and development, and service) investigating the constructs of interests. The survey data was elicited from small business owners located in the Northwest and California. U.S. Business owners were identified using the U.S. Small Business Administration’s (SBA) Central Contractor Registry (CCR), a self-certifying database of all firms who wish to do business with any branch of the U.S. federal government. Data was extracted from the CCR database using the CCR’s web-based Dynamic Small Business Search tool, which allows users to search the CCR database for firms who meet the SBA’s criteria for small business. Only those firms registering 200 or fewer employees were included in the sample. Regression analysis was used to test the propositions.

The linked survey was designed in two sections with a cover page. The cover page included an invitation from the author, an assurance of confidentiality of the information, and contact methods for any questions and comments related to the research. First section included the main survey part with the measure items of the focal constructs, and the second section included questions related to the general information of the firms and the demographic information of the respondents. There were two follow-up/reminder emails to encourage their participation. Data collection occurred over three weeks and resulted in a sample of 116. After discarding 34 unusable questionnaires, a total of 82 were determined useful for analysis. Many of the surveys were discarded because only the cover page was visited and viewed.

All of the measures used in this study were drawn from existing literature. Throughout the survey, Likert-type scales were used. For entrepreneurial orientation and market-based capabilities, a 7-point scale was used where 7 = strongly agree and 1 = strongly disagree. For firm performance measures, i.e., customer satisfaction, profitability, and adaptability, a 7-point scale was also used where 7 = “much better than competitors” and 1 = “much worse than competitors” based on the firm’s business performance over the past year relative to the major competitors. Entrepreneurial orientation was measured with 5 items. The measures were adopted with little modification from prior studies by Lumpkin and Dess (1996) and Luo, Sivakumar, and Liu (2005). Market-based capabilities (MC) were measured by 16 items (New Product Development Capabilities (NPD), 5 items; Customer Management Capabilities (CM), 7 items; Supply Chain Management Capabilities (SCM), 4 items) all adopted from Ramaswami, Srivastava, and Bhargave (2009).

Firm performance was measured through fourteen items; customer satisfaction in 4 items, market effectiveness in 4 items, profitability in 3 items, and adaptability in 3 items adopted from the previous studies. Customer satisfaction represents the effectiveness of the organization in delivering value to its customers (Day and Wensley 1988; Kaplan and Norton 1996). Market effectiveness as a scale that tapped the degree to which the firms’ market-based goals had been accomplished (Ruekert, Walker, and Roering 1985; Vorhies and Morgan 2003). Profitability, using perceptual scales related to financial performance over the past twelve months (Morgan, Clark, and Gooner, 2002) was asked. Lastly, adaptability is an ability of the firm to respond to changes in its environment (Ruekert, Walker, and Roering 1985; Shin 2012). For further analysis, firm-specific questions were included such as industry type, firm size, firm age, and the number of employees. Respondents’ working years in the current-working firm and their professional functions were also recorded as control variables.
The research model was assessed using multilevel regression with IBM SPSS Statistics 21. To test main hypotheses, regressions were executed using entrepreneurial orientation, new product development, customer management, and supply chain management capabilities as independent variables and firm performance as the dependent variable for each corresponding model. For control other critical variables, e.g., firm size and firm age were included in each regression test. All four regression models were verified through coefficient of determination. R-squares of each model indicated satisfactory level of explained variability (R2/Adj. R2 = .339/.290, .396/.314, .419/.352, and .094/.009, respectively), and therefore model validation established.

As expected, positive relationships between entrepreneurial orientation and SME performance was found (β = .477, p < .001). Firm performance was regressed on market-based capabilities (e.g., NPD, CM, and SCM) with a positive associations found for CM and SCM (β = .487, p < .001; β = .366, p < .05 respectively) while a negative association was found for NPD (β = -.610, p < .001). Neither firm age nor firm size was found to correlate firm performance. Finally, firm performance was regressed on all three market-based capabilities (NPD, CM, and SCM) and entrepreneurial orientation. The results showed that entrepreneurial orientation was still found to have a positive impact on firm performance but the effect was significantly decreased from .477 to .333 when CM was included in the model. Thus, CM capability partially mediated the link between entrepreneurial orientation and firm performance.

This study provides several noteworthy conclusions. First, with respect to firm-specific trust, the results reveal that (amongst the three market-based capabilities) having customer management capability appears to be an important factor for SMEs if they are to realize the full benefits of an entrepreneurial orientation in regards to firm performance. Second, findings show that this relationship is important regardless of firm size or age. From an important strategic perspective, results would suggest that SMEs need to expend the resources to develop within their organization’s capabilities if they are to realize optimal performance. Lastly, the results imply to SMEs that resources need to be expended to develop market-based capabilities even if an entrepreneurial orientation exists within the firm if it is to thrive in an increasingly more turbulent and hypercompetitive market environment.

Regardless of the interesting findings uncovered by this study, there is still a great deal of work to be done by researchers. It may require that we revisit what we know about SME performance in light of a fast changing competitive landscape. Certainly, this is an endeavor worthy of further exploration and attention especially in light of the significant role that the SME plays in the economies of many nations.

*References are available upon request.*
INTRODUCTION

Given the impact of the debt crisis, with its effect of slowing growth, enterprises in general are facing slowing, if not contracting, market growth. In this context of slowed growth, there is heightened uncertainty, and therefore fear and sense of risk-taking in starting a new business or expanding and diversifying an existing one amongst entrepreneurial leaders. This research will identify the factors which contribute to the fear and sense of risk-taking in starting a new business or expanding an existing one amongst entrepreneurial leaders in the unique environment of a debt crisis, including the perceptions of firm, industry, country, currency, and reputation risk elements. This research collectively quantifies the level of uncertainty confronting the entrepreneur. Once the factors affecting risk perception have been identified, this research will propose strategies and policies that can be undertaken to mitigate this risk perception in the case of SMEs across indebted EU countries.

RESEARCH PROBLEM AND SUB-PROBLEMS

The research problem that will be addressed in this study is to understand the critical role of small and medium enterprises (SMEs) in the recovery of several of the countries’ economies and their ability to overcome the impact of the debt crisis. This study will attempt to understand the decision related to SME development in the unique environment of a debt crisis, including the perceptions of firm, industry, country, currency, and reputation risk elements.

1. To what extent do small and medium enterprises (SMEs) play a key role in the recovery of Greece, Italy, Ireland, Portugal and Spain’s economies?
2. What types of risks are perceived by potential SME entrepreneurs in the context of an ongoing debt crisis environment?
3. What factors influence the risk perception?
4. What policies can be introduced to mitigate this risk perception in order to enhance SME development in an ongoing-debt crisis environment?

PROJECT DESIGN

The methodology employed in this study will use both qualitative and quantitative approaches. It will include a review of the literature, complemented by interviews with entrepreneurs of SMEs across a diverse range of business sectors. National and local governments, multinational institution officials, especially the IMF involved in the crisis or whose current response is influenced by the crisis, who are involved in SME development, will also be interviewed. A panel of judges, who are comprised of entrepreneurs from across many sectors from services to manufacturing, will help formulate an appropriate targeted questionnaire which identifies the relevant variables which impacts the level of entrepreneurship. While this study will focus on the five principal variables, such as country, currency, industry, company risk, and image outlook that shape entrepreneurship, I will complement the aforementioned variables with the subjective assessments of authorities with interviews.

The qualitative approach in my methodology will review the major government and multinational institutional policies adopted to mitigate the issue of heightened risk perception in the case of SME development. Policies adopted to address the issue in previous debt crisis will be presented and evaluated for their level of success or failure in reducing risk perception for SME activity. For example, an overview of SME activity in relation to the Latin American debt crisis in the early 1980s and the Asian crisis of the late 1990s will be provided. Thereafter, an overview of the current situation in the debt affected countries as it pertains to SME promotion will be provided. Based on the aforementioned studies, an analytical review of the most historically effective policies for SME activity will be presented.
MANAGERIAL AND THEORETICAL CONTRIBUTIONS

The practical implications of my research as it relates to the proliferation of SMEs is that presumably, in times of crisis, countries will know how to reshape their laws to optimize SME development for which this research provides a guide. Understanding how risk-perception impacts SME activity would also illuminate policies and actions which would encourage greater entrepreneurship in debt-affected countries. This research will also contribute to the current body of knowledge related to the developing theoretical and conceptual underpinnings to describe the promotion of SME activity in challenging economic circumstances.