DEFINING THE SCOPE OF ENTREPRENEURIAL MARKETING:
A QUALITATIVE APPROACH

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Since the mid 1980s a steady stream of research studies have examined the marketing/entrepreneurship interface in SMEs. Whilst much of this work has concentrated on specific research issues surrounding the implementation of marketing in entrepreneurial SMEs, a focus of much of this work has been to establish the balance between the marketing and entrepreneurial orientations in such firms. Using a syncretised qualitative methodology the research reported in this paper draws on a sample of entrepreneurial SMEs in the agri-food sector. The research concludes that the entrepreneurial orientation is the dominant one and is particularly manifest in the strong sales focus of the companies studied. This suggests that, in entrepreneurial SMEs, it is perhaps, as so many studies have attempted to do, inappropriate to focus on determining the predominance of either orientation. Future research should instead focus on the interrelationship between the two in what is emerging as a distinctive brand of marketing, that is, entrepreneurial marketing.

INTRODUCTION

This paper seeks to address, revisit and extend previous research studies that have examined the relationship between the marketing and entrepreneurial orientations in small to medium sized firms (SMEs). Foremost amongst these studies is the work of Miles and Arnold (1991) who state, in respect of the marketing and entrepreneurial orientations, that an organisation’s business orientation is its underlying philosophy, which tends to flavour the overall decision-making framework of its
management. Peterson (1989) also suggests that a firm’s business orientation consists of those underlying philosophies that determine the nature and scope of its activities and plans. It is well documented that such assertions have a particular significance in respect of the entrepreneurial and marketing orientations of SMEs (Grant et al., 1995; Miles and Burns, 1994) and in the case of an entrepreneurial orientation the activities of the firm shaped by the owner/manager.

Indeed, it is also well documented in Chapter 1 of practically every conventional marketing textbook, that the marketing orientation means a firm should focus on its customers. There can also be little argument that the 'customer-first' philosophy is a predominant one in a successful business. Of course such an assertion could easily be applied to the entrepreneurial orientation but as a guiding business philosophy it is not addressed in such a simplistic manner.

The growing literature on entrepreneurship, in what Churchill (1989) describes as “one of the youngest paradigms in the management sciences,” portrays a variety of interpretations of an indisputably multi-faceted phenomena, where in the main, an entrepreneurial orientation means that organisations must seek to exploit the dynamics of their macroenvironment and task environment. The Economist (1999) states that while innovation is difficult to measure, entrepreneurs are the most successful practitioners of innovation through,

“creating value by exploiting some form of change – be it in technology, materials prices, taxation, demographics or even geopolitics.”

Thus demand is stimulated and maintained in new or existing markets.

In addition, other studies have suggested that whilst the disciplines of marketing and entrepreneurship have in many respects their own separate histories, they are both interrelated responses to the environment in which a firm is operating (Carson et al., 1995; Morris and Paul, 1987; and Venkatraman, 1989).

Consequently, this study seeks to address the balance between the marketing and entrepreneurial orientations in the SMEs. It is important therefore, to consider both orientations briefly.
THE MARKETING ORIENTATION OF THE SME

Siu and Kirby (1995) summarise the state of research into the marketing orientation of the SME, suggesting that there is insufficient knowledge about marketing per se in the small business. They cite Cannon (1991) who opines that any accumulation of empirical evidence that refers to marketing in the small business has been generated in an "ad hoc" manner as a consequence of the general absence of a systematic approach to the subject.

The literature about the marketing orientation of small firms however, tends to concentrate on the difficulties that such firms experience and encounter in their pursuit and practice of marketing, suggesting that such difficulties are rooted in issues of size and culture (Matthews and Scott, 1995). Others, such as Robinson and Pearce (1984), suggest that small firms lack the necessary staff and time to engage in strategic planning and they conclude that small firms generally do not plan, focusing on daily survival.

The marketing orientation of small firms becomes less significant when the emphasis of such firms in respect of business growth and development is on organisational development, strategic operational decisions and corporate culture. In many ways this view of marketing as a functional problem means that the marketing orientation only really predominates in the early stages of the firm's growth when the owner manager typically takes charge of the marketing and sales activities.

A new stream of research describes the marketing orientation of small firms as 'entrepreneurial marketing.' This means a style of marketing behaviour that is driven and shaped by the owner manager's personality (Carson and Cromie, 1989). Kohli and Jaworski (1990) suggest that 'entrepreneurial marketing' is merely the implementation of the marketing concept as reflected in the activities and behaviours of an organisation as opposed to some innovative concept. Such an assertion would suggest that the central maxims of marketing concept implementation are manifest in the small firm context. These include market focus, customer orientation, co-ordinated marketing and a focus on profitability.

It is in the 'situation specific' tailoring of these principles to the small firm context, in contrast to the bureaucracy of large organisations, that the characteristics of the small firm's marketing orientation becomes apparent. Account needs to be taken of the characteristics of the individuals who own or manage such enterprises. Carson et al, (1995) for example, discuss the marketing style of small firms and note the manner in which marketing
activities and decision making are influenced by the entrepreneurial influences, in particular those of the entrepreneurial personality. They assert that it is the entrepreneurial influence above all others that shapes all of the activities of the small firm.

This aspect of the small firm’s marketing has tended in particular to manifest itself in studies of the marketing planning activities of such enterprises (Dunn et al. 1986). It is Dodge et al’s (1994) study that provides the sharpest insight to such a planning orientation. They researched the marketing performances of 645 US small firms in three states and found that the most prevalent problems experienced by their respondents were a lack of knowledge about the marketplace and planning (see also Caird, 1991).

In summary, the evidence in respect of the marketing orientation of small firms, whilst growing, is still quite thin on the ground. The marketing orientation of such enterprises can be best described as that which reflects the emphasis on different aspects of business as firms grow and go through their life cycles. More predominant is the management style approach that concludes that the marketing orientation of the firm is dependent on the personality and characteristics of the owner manager/lead entrepreneur or chief decision-maker. In the main, the management function aspect to the marketing orientation emphasises the importance of marketing for a small firm’s growth, survival and strategic development.

THE ENTREPRENEURIAL ORIENTATION OF THE SME

Entrepreneurship is best understood as a process (Hill and McGowan, 1999). It involves the efforts of an individual, (or group of individuals), in identifying a viable opportunity in a marketplace, and obtaining the resources needed to exploit it. It would seem that as long as these constituents are interactive in the pursuit of wealth generation then entrepreneurship is alive and well.

Ginsberg (1985) develops a clear definition of the entrepreneurial orientation in SMEs. He describes it as manifest in aggressiveness, innovative logistics, adaptiveness, a high rate of new product/service introduction and an emphasis on product/service innovations. He adds that the addition of the ability to adapt and flex to environmental demands coupled with a high rate of new product introduction suggests that an entrepreneurial-oriented firm may also be typically more successful in new product introduction.
The risk propensity of entrepreneurial oriented firms is also well documented. Morris and Paul (1987) for example, suggest that the entrepreneurial orientation refers to the propensity of a company’s top management to take calculated risks, to be innovative and to demonstrate proactiveness. Such reference to risk taking is strongly characteristic of much entrepreneurship research.

Other schools of thought associate the entrepreneurial orientation with chaos (Bygrave, 1989). This suggests that a firm displaying the entrepreneurial orientation is a dynamic enterprise as opposed to a reflection of a static organisational system. Bygrave argues that “the essence of entrepreneurship is a change of state.” (pp. 9) Bygrave’s thesis is based on the belief that starting an entrepreneurial venture is not a smooth, continuous, ordinary process. Rather, he adds, it is a disjointed, discontinuous, unique event.

Bird and Jelinek (1988) highlight the behavioural manifestations of the entrepreneurial orientation. These can be best summarised in individuals with certain characteristics and abilities and perceptions who find themselves in a context that is conducive to venturing. Entrepreneurs possessing certain distinguishable attitudes include those with a strong sense of personal control and a strong tendency to disregard many constricting social norms than people in general (Begley and Boyd, 1986). This view is supported by the Financial Times (1999) observation that,

“Certain chief executive officers, particularly first generation entrepreneurs who have built businesses from scratch, tend to want to control everything that goes on within their companies and treat employees as if they were simply robots designed to carry out their orders .”

Abdner (1988) suggests very strongly that the entrepreneurial orientation is captured in manifestations of the entrepreneurial spirit. Such spirit he maintains is represented by the spirit of adventure and creativity associated with entrepreneurship in every nation of the world. He further implies that “hard work and thrift” characterise the entrepreneurial enterprise. Gartner (1989) draws on the creative aspect of the entrepreneurial orientation. He states “Entrepreneurship is the creation of organizations.” A key conclusion that can be drawn from Gartner’s work is that it is perhaps the creativity dimension that differentiates entrepreneurs from non-entrepreneurs. More importantly though Gartner makes the point that in behavioural approaches to the study of entrepreneurship an
entrepreneur is seen as someone involved in a set of activities encompassing organisation creation, whereas in the trait approaches an entrepreneur, and hence the entrepreneurial orientation, is a set of personality traits and characteristics. Indeed, from the discussion it appears that it is the behavioural approach above all others that is the essence of the entrepreneurial orientation, viewing the entrepreneur as an individual who creates and develops business ventures.

The entrepreneurial orientation is detectable in the way entrepreneurs act as leaders in their firms. Effective leaders, especially transformative leaders, display competencies in focusing attention through vision, providing meaning to others through communication, maintaining trust through positioning and displaying themselves with positive self-regard (Bennis and Nanus, 1985).

Others such as Miller and Friesen (1983) have characterised an entrepreneurial firm as one which “engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with ‘proactive’ innovations, beating competitors to the punch”, which upholds the widely held notion of entrepreneurial firms as being innovative, risk-seeking and proactive.

In summary, it can be stated that certain common threads in the entrepreneurship literature signify an entrepreneurial orientation. Certain aspects such as a willingness to accept risks, a proactive posture towards the firm’s marketing environment, creativity, innovation, a need for achievement, power seeking, a dominating personality, need for or locus of control suggests a firm with an entrepreneurial orientation. Whether these threads are viewed from the trait or behavioural perspective is less relevant than the extent to which their presence is illustrative of an entrepreneurial orientation.

THE MARKETING/ENTREPRENEURSHIP INTERFACE

Since 1987 the work of the AMA symposia on research at the marketing/entrepreneurship has resulted in the publication of many research papers considering both orientations in the context of the SME. Knight et al., (1995) stress that entrepreneurship as an area of study is most often studied in combination with some other functional field. They note in particular the many articles that have appeared linking entrepreneurship and marketing. The character and flavour of work at the interface is captured in: Carson et al’s (1994) work on entrepreneurial marketing competency and planning; marketing networks for the entrepreneurial firm
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(Coviello and Munro, 1994; Shaw, 1993); and the relationship between
the marketing orientation and the entrepreneurial orientation itself (Miles
and Burns, 1994).

Whilst the interface work has given consideration to both the
marketing and entrepreneurial orientation it is inconclusive as to which of
any orientation dominates. The objective of this study therefore, was to
study a sample of entrepreneurial SMEs and in doing so seek to determine
the extent of both orientations and to determine if one or other actually did
predominate.

METHODOLOGY

Before outlining the methodological approach it is necessary to make
several key points:

1. this research approach needs to recognise the diversity of disciplines
   and concomitant characteristics that comprise the
   marketing/entrepreneurship interface;

2. experience from the literature, research and practice suggests that
   existing approaches for researching in small firms are inappropriate
   (Davis, Hills and La Forge, 1985, Hill and McGowan, 1996, 1999);

3. to research in SMEs, to research the key entrepreneurial personnel in
   SMEs, suggests an epistemological approach that dictates a
   minimisation of distance between the researcher and the entrepreneur.

Most prior research into small firms has its roots in positivist thinking
(Storey, 1994). Without seeking to devalue such prior research, it is
contended here that such approaches do not yield a rich understanding of
the key issues affecting small firms marketing.

It can be seen from the literature that there is a need for an approach to
research in the SME which reflects its individual and unique
characteristics and circumstances in addition to taking account of the
personalities active within it (Hofer and Bygrave, 1992; Chell and
Haworth, 1991 and Bygrave, 1989). To fully comprehend these issues and
the relationships between them which are peculiar to the individual SME it
is imperative to embark on an in-depth research programme which not
only is qualitative but also manifests much of the ethnographic tradition.
The approach applied here is a qualitative approach under the auspices of the qualitative paradigm. This is based on several important assumptions. The first of these is the ontological positioning. The position here is that the only reality is that which is actually constructed by individuals involved in any research situation, that is, those of the researcher, those individuals being investigated and the reader or audience interpreting a study. Thus multiple realities exist in any given situation.

The second issue for consideration surrounds the epistemological question that simply describes the nature of the relationship between the researcher and the subjects of the research. Given our understanding of the small firm and the impact of small firm and entrepreneurial characteristics on the marketing management activities of such enterprises, the epistemological stance adopted here meant immersion in the SMEs.

Given the research focus as gaining a greater understanding of the marketing and entrepreneurial orientations in SMEs a methodological approach was required which allowed scope for the development of a fuller understanding of the phenomena. A review of extant approaches vindicated the selection of a qualitative methodology. Furthermore, as the literature review illustrated, whilst many of the existing methodologies were useful for small firms research no one seemed wholly appropriate.

Therefore, taking consideration of all of the small firm management, marketing and entrepreneurial characteristics, and the impact of these on the selection of a research methodology, an integrated approach was developed.

The methodology borrowed from various research traditions. The early stages predominated in the use of methods more readily associated with ethnography. These included observation and participant observation. As the research process developed the predominant data-gathering instrument was the in-depth interview. This is one of the most commonly used qualitative research methods, apart from focus groups. It allows for a ‘less directive approach’ to encourage respondents to express their experiences, attitudes, needs and ideas relevant to their firms’ marketing (Wright, 1996).

THE SAMPLE

Two key issues largely dictated the selection of SMEs for this study. These were prior research experience and access. Prior experience pointed to the dangers of working closely with very small or independent companies and
entrepreneurial managers. Second, prior research has highlighted the following difficulties:

1. It is difficult to get SMEs and their key personnel involved in a research project in the first place.
2. They tire of the attention of a researcher very quickly.
3. The 'bargaining card' is usually very substantial.
4. From a practical viewpoint key personnel are always difficult to locate or pin down for interviewing purposes.

It was decided therefore, to seek out longer established companies which were not necessarily (but could be) family businesses or owner managed but which needed to have totally autonomous management structures with local decision making powers. In addition, personal judgement, based on prior industrial and research experience enabled speculation on the presence of marketing which was characteristic of the 'entrepreneurial marketing.' For these reasons companies were selected from 2 multinational holding companies located in the agri-food sector. These were FII-Fyffes and the Greencore Group Companies.

At the outset of the research process seven of the FII-Fyffes Group companies were selected for the discussions. The inductive nature of the research process meant that in the end a total of forty informants contributed to the data gathering on the FII-Fyffes side from 36 companies. It was also decided from the outset to spend a prolonged period in one of the FII-Fyffes companies to closely observe the way they went about their business decisions. This phase lasted three months, starting as non-participant observation but resulting in participant observation.

Similarly at the outset of the research study five Greencore companies were preselected. The inductive nature of the research process again meant that in the end twenty-three informants contributed to the data gathering from 18 companies. It was also decided from the outset to spend some time looking at one of the Greencore companies in detail again to observe the way that they went about their business decisions. This period stretched to one month.

**INSTRUMENTATION**

Given the inductive aspect of the research it was decided to minimise prior instrumentation. The key reasons for this as are as follows. Predesigned and structured instruments blind the researcher to the research setting.
What for example, if the ‘priori’ instrumentation has omitted to examine the most important phenomena in the field. Prespecified instrumentation means they will be probably be over looked or at best misrepresented. Prior instrumentation is usually context stripped. It is designed with regard to universality of application. This disregards the important fact that qualitative research lives and breathes through context. The simple axiom that the particularities produce the generalities and not the reverse must not be forgotten. This means that all that is needed at the start are some orienting questions, some headings for observations and a tentative document analysis pro forma. Below is an outline of the guiding topics or orienting questions.

1. Selling and the sales function
2. Marketing mix variables
3. Sourcing and buying
4. Personal strengths and weaknesses
5. Understanding markets
6. Competition
7. Service and Quality
8. Family business aspects
9. Marketing planning
10. Customers
11. Understanding the firm’s environment

These topic areas constituted a tentative framework only. In line with the inductive nature of the research the topics would be addressed in all sorts of order. New topics emerged as the research progressed.

DATA ANALYSIS

The data gathering phases generated substantial amounts of usable and actionable data. Where possible discussions were audio recorded but in all cases copious notes were made and in the observation stages in particular ‘ethnographer’s bladder’ was a marked complaint! All of the discussions were transcribed and coded for purposes of analysis using a coding framework based on the key topic areas (Miles and Huberman, 1994). Codes were constantly refined in tandem with the ongoing analysis. The data was analysed by using the discussion topics as frameworks for analysis. Observation notes were coded and analysed in the same way.
FINDINGS

The findings generated in respect of the entrepreneurial and marketing orientations were substantial. Whilst both orientations emerged clearly in their own right, at times it was practically impossible to distinguish between the two. The key findings will be represented within a framework of the dominant topic areas to emerge from the data gathering phases. These were: the sales focus and selling issues; marketing skills and competencies of the key marketing decision makers; the nature of marketing decision making; the use of personal contact networks; and the extent and level of marketing planning.

THE SALES AND SELLING FOCUS

Without doubt the most striking aspect to emerge from the research was the huge focus on making the sale. In particular the sales aspect was associated with entrepreneurial characteristics and therefore an entrepreneurial orientation. A picture emerged of what can best be defined as the entrepreneurial sales person. Other aspects of sales did emerge but an entrepreneurial approach to selling predominated.

The entrepreneurial salesperson emerged as loud, profane, and perhaps even rumbustious. Significantly entrepreneurial type sales people were usually members of or descendants of the founding family. They see the business as their own. They regard every penny as their own. The firms in this research are SMEs within two holding companies, that is, Greencore an FII-Fyffes. Some of these companies have been only recently acquired and therefore still retain a big founding family influence. They are strongly motivated by profit. They despise waste and are intolerant of others who lack the same energy and commitment. In general they are distrustful of others who don't share their view of the world.

The typical entrepreneurial salesperson is critical of selling today in general, regarding it as more stock and order type selling. According to one, “Salesmen today don’t see what has to be done. They can’t see it like making money. Salesmen need to see it as their own money.” Another with some aggression protested that “There’s no real salesmen left. It’s typical of this place. I’m going to have to bloody well sell them myself. These ass holes won’t sell a thing. I could count how many they sold this morning on one finger.” Aggression in the sales approach is typical of entrepreneurial sales people. A company owner who was exceptionally entrepreneurial in his approach to managing his business stated that in his
opinion all of the best sales men were aggressive. Another opined that natural sales aggression is inborn. “You either have it or you don’t.”

Such sales people are less comfortable with the widely documented relationship aspect of selling. For them closeness to a customer merely results in a situation where sales people feel unable to deceive customers “because of their relationships...even when they can.”

In addition, entrepreneurial sales people see selling as a means to an end. It is never a career. According to one respondent “Selling is great, it’s exciting, there’s a great buzz but good people don’t want to do it forever.” This implies that career sales people are not ambitious by their standards and are as a consequence bounded by their own lack of vision and drive.

Entrepreneurial sales people are high in vision, intuition and are opportunistic. This is represented in their ability to seize on opportunities that present themselves in a selling situation day and daily. This is typified by the comment of one sales man who reckoned that “Selling was all about having the right gear and looking for the right opportunity.” The implication is that the entrepreneurial sales people actively search out opportunities and are thus more entrepreneurial in character.

MARKETING SKILLS AND COMPETENCIES AND THE MARKETING/ENTREPRENEURIAL ORIENTATION

The research indicated that the competencies of experience, judgement, communication, knowledge and intuition dominated the marketing activity of the research companies. Competencies and skills typical of a strong entrepreneurial orientation, just as readily describe the entrepreneurial personality as the marketing one. Experience and judgement were exceptionally dominant. Experience was evident in so many ways. It was detectable in the way it was brought to bear on marketing decisions on price, distribution and product selection. It was clear that the entrepreneurial influence was shaping the marketing orientation.

The role of knowledge was very evident. It was particularly prevalent in the guise of product or technical knowledge.

Another aspect of knowledge evident in some of the companies was that knowledge born of intuition. The evidence in this study enabled the identification of a close link between the presence of knowledge born of experience, in a generic sense, and gut feeling or intuition. The following extract from the observation notes typifies such a link:
‘Francis explained that he had worked on the market for 20 years. He sells fruit from 5am-9am daily. She said that he doesn’t need a computerised print out to guage profitability. He instinctively knows whether or not it has been good.’

The research provided much evidence of the dominant role of the communication competency in SMEs in the market place. Every possible permutation of communication was observable. With respect to internal communications there was practically non stop discussion, information exchange, conferring on problems and joint or consensual decision making in all of the firms all of the time. In addition, there was a substantial level of exchange between companies and their customers and between the companies and their suppliers and of course between the various companies themselves. Looking in on it all appeared very democratic. Of course closer inspection, facilitated through deeper immersion in the companies, enabled the identification of the key drivers of communications within the firms. Not surprisingly these were the entrepreneurial sales people. Communication is almost their stock in trade and strongly characteristic of an entrepreneurial orientation.

Also dominant in this phase of the research were those competencies belonging to the relational communication cluster. This was particularly marked where a strong entrepreneurial orientation in respect of selling was evident. Consistent with the previous observations this cluster incorporates communication, people skills, leadership, relationship building, trust, integrity and approachability.

Another aspect to the relationship competency that emerged was that several key respondents didn’t value the relationship building dimension at all. Significantly, these respondents belonged to the founding families and were the last remaining members of the original families in the particular business. In terms of their own personal styles, for example, personal selling, they were entrepreneurial. They were highly motivated individuals and in general always bubbled with a hint of aggression. They were essentially sharp traders. One in particular expressed very succinctly this negative view of relationship building. He stated ‘Relationships with customers now are much better if they’re highly structured. It’s infinitely more sensible to try and establish good systems. Try to systematise selling. Depersonalise it. Concentrate on quality produce, quality service and an all round good competitive package. I honestly believe this is more important than sales or business built on a nod and a wink or what’s worse, perhaps dependent on someone’s mood swings.’
It can be concluded therefore, that the competencies that predominate in SMEs are those born of a strong actual or historical entrepreneurial influence and in particular in relation to sales.

DECISION MAKING

The data from all phases of the research provided some fresh insight to the way in which marketing decisions are made in SMEs. All of the various aspects examined, competency, personal selling, personal contact networks, marketing planning were in ways manifestations of marketing decision making. It is however, important to draw some conclusions from the manifestations of in situ/in vivo decision-making activity. Unsurprisingly, this type of decision making tends to be of the routine, non complex and operational nature, although occasionally it does provide insight to aspects of marketing decision making which is clearly more strategic in focus. Whether an entrepreneurial or more formalised marketing orientation predominated decision making was in the main routine.

One detectable difference was that in the firms that exhibited a strong entrepreneurial type selling orientation an informal atmosphere existed in respect of marketing problems. This actually facilitated and nurtured a type of open forum decision making. This is typified in the observation notes form one of the FII-Fyffes research companies are on the fruit market:

‘The whole stand is informal, good customers and occasional customers alike. There is no formality, no horse trading (at least not ostensibly). It’s like a cordial spirit of mutual co-operation.’

The other aspects of marketing decision making detectable were of course the operational incidences. These were particularly entrepreneurial in character. Operationally based marketing decision making encapsulates such issues as the risk element in decision making, often associated with price and captured in price related comments like ‘Let’s knock it out...’ or ‘We need to take a flier at it...’ or ‘Let’s shift it. It’s better looking for it than looking at it.’

In summary, the research suggests that on the ground the majority of the decisions taken are operationally focused and entrepreneurial in character. This would imply that what is being observed is simply the operational impact of strategic marketing decisions or perhaps the tactical implementation of planning. It should not be surprising therefore, that studies which examine the activities within such firms that conclude that SMEs are operationally focused in respect of their marketing planning are
perhaps misguided in that they are over concentrating on one dimension of such firms’ activities. There is nonetheless, evidence of some strategic decision making behaviour at ground/market level. There is also evidence of a degree of risk taking in this type of decision making.

Significant evidence emerged to indicate a high level of strategic decision making. At one level strategic decision-making occurred in a formal sense at director level in companies with a marketing orientation. There emerged a view in most cases that an established board of directors bore the responsibility for major strategic decisions and fashioning of medium to long term market activity. Short-term decision making was more of a local operational, specific problem solving nature. One managing director commented “Such decisions are made easier in that we have an established board of directors. This brings with it a collective responsibility.” It was evident from this research also that long-term decision making was much more indicative of an established marketing orientation whereas a short-term focus was deemed to be much more representative of an entrepreneurial orientation.

PERSONAL CONTACT NETWORKS

In the emergence of a strong focus on personal selling aspects however, there was much evidence of use of various types of contact networks. It is clear that personal contact networking is a major component of SME marketing and as such must be addressed to determine how it impacts on the particular orientation of the SME.

The analysis of the data generated some insight to the nature of the contact networks used and the way in which SMEs use them to solve marketing problems. A range of different categories of PCNs emerged. In order of dominance these included formal networking, information gathering networks, informal and social networks, Machiavellian or occasional networks, price setting networks, business development networks, networks concerned with reachability and for developing marketing plans.

It can be suggested therefore, that personal contact networks play a crucial role in characterising a marketing orientation in SMEs. The companies in this study showed a strong tendency to use networks freely. Indeed, decision making in respect of marketing activities was distinctly characterised by the use of networks. The conclusion here therefore, is that personal contact networks enhance marketing decisions. It can also be stated however, that personal selling is strongly characterised by the
frequent use of personal networks, which again suggests that they also have a strong entrepreneurial aspect.

In summary, it can be stated with confidence that this phase of the data analysis pointed firmly to the central role of contact networks to the marketing activities and marketing decisions of SMEs. Where an entrepreneurial orientation predominated SMEs sought to informalis formal networks with the view that the sooner a network becomes informal then the more effective it will be. Where the entrepreneurial orientation dominated the SME decision-makers largely made their own decisions irrespective of the network. The networks simply serve to confirm such decisions. There is evidence also to suggest that even when a network disconfirms a decision such advice is ignored by the entrepreneurial SME decision-maker. This does not in any way negate the key value-adding role that networks play in the decision-making processes of enterprises where the market orientation predominated. In such firms contact networks where used in a much more ‘matter of fact’ way. In terms of specific marketing activity then networks are more predominantly used for price-related activities, product sourcing and gathering information on competition.

MARKETING PLANNING

The way in which the firms in the sample went about their marketing planning also provided extensive insight as to the predominant orientation. The literature on marketing planning in SMEs paints a picture of enterprises largely shaped by the entrepreneurial/owner manager personality. Consequently, the small firms' marketing literature describes marketing planning in small firms as being informal, haphazard, unstructured, and simplistic. The first observation in respect of all of the companies was that they practically all had three year plans that were reviewed annually. This dimension to their marketing is purely a reflection of their corporate accountability within the holding companies but also a reflection of increasing marketing sophistication in such firms. The literature on marketing planning in small firms is dating and has largely ignored the level of graduate entry to the management of such companies and the increasing demands from bankers, other funders and customers for evidence of proper planning.

One company manager clearly saw the business and marketing plans as the key force behind all of his business activity. He stated “Number one, to achieve the goals, the targets, the budgets set out by the company and these targets are based on turnover, based on growth and on quality.”
Another chief executive supported this view adding that "...we sit down at the end of every year or three quarters into the year and plan a course of action in order to make sure that we are going to achieve the sales that we require." Others articulated a similar viewpoint with one respondent saying that "The market has now reached such a level of professionalism and sophistication that all the major companies will ask you for at least a year's programme before they'll even consider negotiating to do business with you." This ties in with a clear view expressed by another that "...our plans can only realistically be what our customers plans are..."

In summary, the evidence from this phase of the analysis indicates strongly that SMEs actually do engage in marketing planning. The entrepreneurial orientation is still evident in an operational focus but this really only concerns action points, the marketing functions and their implementation. On the operational side the focus of planning is predominantly on aspects of the promotional mix and to a lesser degree on the nature of relationships with supply companies and major customers. There is a strong emphasis on marketing plan control issues, with much of this control target driven.

**DISCUSSION**

The data gathering stages generated huge amounts of data and the analysis only gives a sort of cross sectional snap shot of the 'vital' areas to emerge. Such a snapshot does however, enable us to make some judgement as to the predominance of the marketing and entrepreneurial orientations.

Firstly, the focus of business activities in all of the SMEs was on selling. In many respects marketing equals selling in these companies. The predominant aspect evident in respect of sales and selling activities was an entrepreneurial one and strong links can be made with many previous studies. In terms of the way the key activities of SMEs therefore, it can be asserted that the entrepreneurial orientation predominates.

With respect to the marketing skills and competencies of the key decision-makers in SMEs it can be concluded that the competencies of experience, judgement, communication, knowledge and intuition dominate. This concurs with Hill and Fallis (1995) and Carson et al (1994) whose work is premised on the predominant culture of the entrepreneurial personality. This was particularly marked with regard to communication.

In terms of decision making the research indicated that the operationally based decisions were more dominant in those firms that exhibited a strong entrepreneurial orientation. With regard to strategic
decision making the emphasis lay in a more formalised set up, linked into longer-term marketing objectives manifest in a definite marketing plan.

This is somewhat at odds with a strong literature which suggests that planning tends to be haphazard, simplistic and operationally focused. Such literature ignores changes and the increasing sophistication of the management of such firms.

With respect to the area of contact networks it can be stated that they are used extensively to assert and enhance decision making at both an operational and strategic level. The findings are a mixed bag though in that where personal selling was strongest there was extensive use of personal contact networks. This would suggest a peculiarly entrepreneurial character to networks. Yet in terms of more routine and strategic decision making contacts were also used quite extensively. The key conclusion therefore, is that SMEs are extensive users of contact networks. The predominance of either orientation will only serve to illustrate the use of networks in different ways.

Finally, with respect to marketing planning the evidence indicated that SMEs actually did engage in planning. In those companies with a stronger focus on selling and therefore exhibiting more entrepreneurial characteristics the emphasis was on the operationalisation of planning through all of the marketing mix variables. In those companies with a stronger marketing orientation the control aspects of marketing planning are more obvious.

CONCLUSION

The balance between the marketing and entrepreneurial orientation in SMEs becomes clearer as a consequence of this study. The key conclusion here is that the entrepreneurial orientation is the predominant one. It is strongest in respect of and as a consequence of personal selling aspects and the presence of a range of marketing skills and competencies regarded to be peculiarly entrepreneurial. With regard to marketing planning, personal contact networks and decision making a greater balance exists (see Figure 1). Personal selling emerged as particularly entrepreneurial. If one regards entrepreneurial sales people as high in vision, intuitive and opportunistic then it is not surprising that such individuals are natural opportunity seekers who avail of every sale opportunity that presents itself. A further conclusion of note is that the centre balance between the two orientations is biased towards an operational perspective with respect to both planning and marketing decision making. This suggests that there exists a stronger
Figure 1. The Balance of the Marketing and Entrepreneurial Orientation in SME.
Figure 2. Marketing Competencies and the Marketing/Entrepreneurial Orientation in SME.
centre ground between the more formal and strategic marketing emphasis and the more sales focused and ad hoc entrepreneurial aspect. The linking factor may well be a contextual one. The evidence in this study would suggest that the social construction of the SME context is one that relates quite comfortably to the four central aspects of Figure 1. This means that marketing in SMEs can swing from strategic to operational like a pendulum. Such an assertion intimates that to argue for the superiority of one position over the other is to entirely miss the point. In addition, the sales focus, which is vital to both orientations, is detectable in the nature and manner of contact network usage by SME marketing decision-makers.

The competencies that were evident have a strong entrepreneurial character and are, on the face of it, to a lesser extent associated with a marketing orientation (see Figure 2). What is most noteworthy in respect of the competency orientation however, is that the individual competencies are pivotal to effective spectrum. Sales are what bridges marketing to its markets, so a logical argument therefore, can be built to justify the essential role of the full spectrum to either orientation.

This perspective suggests one significant conclusion concerning efforts to determine the predominance of either orientation at all. It is perhaps more appropriate to recognise that what is emerging is a new marketing paradigm, that is entrepreneurial marketing. Such a paradigmatic shift would allow for the full expression of the entrepreneurial personality in the management and marketing activities of the SME. This is precisely what emerged in this study. If individual SME activities are examined, then the likelihood of conclusions favouring one orientation over the other are likely to increase. Where this research differs however, is in its holistic aspect, and a holistic interpretation of the data would substantiate the existence of the entrepreneurial paradigm. Further research into the contextual and industry specific dimensions of the research however, would help in determining the wider existence and applicability of the paradigm.

Finally, it is worth reminding ourselves that whilst this research study is very much a snap shot picture, it was based on observations and information gathered over a sustained period of time. It is not necessary to have a large survey from which to draw statistical conclusions, especially when unpublished and important information is being sought (Wright, 1996). There is the issue of confidentiality to overcome and respondents are more relaxed and well inclined toward researchers who establish a good rapport with them. This allows researchers to gain greater insights and in-depth knowledge into the working behaviour and practices of
respondents in their firms. The methodological approach adopted in the research therefore has benefits against other quantitative studies (Miles and Burns, 1995) in striking the right balance.

REFERENCES


Defining the Scope of Entrepreneurial Marketing...


