

ENTREPRENEURIAL MARKETING VERSUS TRADITIONAL MARKETING: AN OVERVIEW

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Abstract

Background of Study

A principles of marketing course has long been accepted as the standard course for business marketing needs. Researchers recently discussed the unique and specialized needs of the small business entrepreneur (Abdul Rahim, Ab. Wahab, & Saad, 2015). Whether or not a traditional marketing course addresses the entrepreneur's marketing needs is questionable.

Purpose of Study

The purpose of the exploratory study is to examine traditional marketing versus entrepreneurial marketing. The researchers will assess whether or not the entrepreneur's specific and unique marketing needs are met within a traditional principles of marketing course.

Research Questions and Methodology

The overarching research question for this study was: Does a traditional principles of marketing course meet the unique and specialized needs of the entrepreneur? The researchers chose an exploratory research approach to this study. Designing a thorough literature review was the first step. Very little information was found in peer-reviewed literature on this topic, thus, a gap in the literature was established.

Literature Review

Entrepreneurship Defined

As defined by John Freeman, ". . . entrepreneurship is the study of the emergence of new firms" (Engel & Teece, 2012, p. 246). Small and medium enterprises are the foundations of any society, especially the American economy. Entrepreneurs provide most of the jobs in American economy (Morrish, 2011). Every means must be explored to support and encourage the growth of entrepreneurship through entrepreneurial marketing.

Data from the Bureau of Labor Statistics indicated how the number of new businesses from different industries has changed during the past 15 years. Entrepreneurs see opportunities not seen by others. Entrepreneurs of small and medium enterprises have unique challenges, due to small staff and lack of resources. Regardless of the number of businesses formed that fail, small businesses run by entrepreneurs still thrive.

Entrepreneurs are innovative, proactive, and risk takers who are always looking for avenues to out-do their competitors in the globalized and crowded markets. Firms with an entrepreneurial mindset display commitment to innovation, risk-taking, and pro-activity (Matsuno, Mentzer, & Ozsomer, 2002). According to Morrish (2011), "Superior performance (i.e., profitability) can arise when a firm has a competitive advantage over other firms that might result in growth" (p. 111).

The primary objective of any business, small or big is growth. One driver of innovation and growth is marketing (Morrish, Miles, & Deacon, 2010). While large organizations may view marketing as an organizational function with its processes and tactics, the entrepreneur views marketing as a vehicle in order to establish a relationship with customers in a short period of time (Abdul Rahim et al., 2015). The

entrepreneur has a limited budget and will use creativity and untraditional marketing practices such as guerilla marketing (unconventional, creative, and innovative marketing tactics), viral marketing, and digital marketing in order to form a competitive advantage (Morris, Schindehutte, & LaForge, 2002).

Entrepreneurial Marketing

The emergence of the concept, “entrepreneurial marketing,” was as a direct result of a combination of two fields that are complementary to each other, entrepreneurship and marketing (EM) (Morrish, 2011). The concept of EM was introduced in 1982 at a conference sponsored by the International Council for Small Business and American Marketing Association that was held at the University of Illinois, Chicago. EM is widely defined as “proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation” (Morris, Shindehutte, & LaForge, 2002, p. 5). Entrepreneurship and marketing are widely believed to be areas in which organizations manage and respond to their internal and external threats and opportunities (Day, 1994; Shane & Venkataraman, 2000). Hills and LaForge (1992) asserted that “the underlying philosophy and orientation of the [marketing] discipline are attuned to market and customer needs, which have direct applicability to entrepreneurship” (p. 33). Similar views are seen in the ability of these two areas to explore extensive environment and their ability to bear uncertainty and take risks (Becheerer & Maurer, 1997; Kwak, Juju, Puzakova, & Rocerreto, 2013). Morris et al. (2002) identified the four main strategies of EM as: customer intimacy base-innovative products, opportunity creation, legitimacy, and resource enhancement.

As more entrepreneurs continue to utilize the advantages of the Internet evolution, competition increases. A challenge for an entrepreneur is to have a competitive edge over others in the industry, and one of the biggest challenges for entrepreneurs is differentiating itself from competitors with limited marketing expertise and budget. Spenner (2012) asserted, “B2C Chief Marketing Officers are reporting as they look ahead into 2012 and beyond is that the marketing systems they oversee are *far too slow* to keep up with the pace of change in the consumer and market landscape”(p. 1). Entrepreneurs overcome these and other challenges by using innovative and creative ways to compete that are more likely to be driven by the entrepreneur’s ideas and intuition rather than organizational processes and budgets (Morrish, 2011).

Conclusion

While most marketers agree and utilize the traditional fundamental principles of marketing that entail the implementation of the marketing mix or the 4 Ps (product, price, place, and promotion) for their marketing activities, the entrepreneur is more likely to use guerilla marketing strategies such as viral marketing, networking, content marketing, and digital marketing. Specialized training on ways to utilize the Internet and social media marketing would provide the entrepreneur with more useful information and tools.

Jones and Hegarty (2011) posit entrepreneurial marketing is less interested in opportunities for attracting and retaining market share through using strategies that include risk management, leveraging resources, and the “creation of value” (Morris et al., 2002, p. 5). Entrepreneurial marketing, instead, should focus on the needs of new business startup and how to “promote and develop a creative human spirit that contributes positively to all aspects of society” (Timmons & Spinelli, 2008, p. 8). Entrepreneurial marketing would better serve entrepreneurs by focusing on positioning and segmentation strategies in order to identify what to sell and who is the most likely to buy (Lodish, Morgan, & Kallianpur, 2001). An understanding of consumer behavior, which is sometimes not a focus in a principles of marketing course, would prove beneficial in the entrepreneur better understanding the underlying drivers of human motivation.

Future Research

A review of the literature suggests traditional marketing focuses on tactics centered on sales, market share, and profitability. Entrepreneurs, however, view marketing as an unskilled activity implemented in order to form a relationship with their customers in a very short period of time. Guerilla marketing, content marketing, viral marketing, and digital marketing tactics can be learned without specialized training and need to be the focus of entrepreneurial marketing courses in order to meet the marketing needs of entrepreneurs.

References Available Upon Request