

Entrepreneurial marketing:
The entrepreneurship/marketing interface

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Abstract

Research at the marketing/entrepreneurship interface currently involves two main directions; 1) a normative school of entrepreneurial marketing, 2) an interpretative study of applied marketing in entrepreneurial contexts. This research effort represents the second school of thought, as the marketing practices of new firms are being explored and interpreted. The major contribution to the research field is that entrepreneurial marketing may be understood as a dialectic and relational process; this is a continuous and non-cyclical process.

Furthermore, a detailed description of applied marketing in new firms is provided. Briefly, this may be characterized as low-cost-marketing, however, not to be confused with unprofessional or unsophisticated marketing. Contrary to popular belief marketing in new firms is strategically focused, even though implied and not always formalized. Marketing tactics are mainly interactive, but both transactional, database and network approaches can be found in most new firms.

The heuristics of entrepreneurial decision making is highlighted. However, analytical information processing appears simultaneously in several cases. Financial support from governmental agencies and institutional pressures are offered as one possible explanation for the existence of two seemingly conflicting information processing practices in new firms. Another explanation may be that increasing knowledge, and thus better problem definitions, paves the way for an analytical approach to information generation. Bootstrap finance has several effects on marketing in new firms. Most notably it implies that new firms may be subject to institutional pressure. Governmental agencies offering financial support require formal business planning, and thus insist on the existence of a strategic planning process in new firms. For most entrepreneurs this is not feasible. Thus, entrepreneurs adapt to this regimen both by honest internalization, and by a more cunning opportunism. The sad demise of truly innovative businesses included in this study, demonstrates the vulnerability of "first-mover-advantage" strategies for small new firms. Interestingly, such a critique has not been given much attention in the literature.

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