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Entrepreneurial Marketing Paradigm-Why it is important for Kosovar Entrepreneurs?

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Abstract. Entrepreneurial marketing is a relatively new concept that has emerged at the intersection of the two very extensively researched fields such as marketing and entrepreneurship. It is considered as a new marketing paradigm that is suitable especially for small and medium-sized enterprises who due to their limited financial and human resources are unable to perform the traditional marketing principles. Having in mind that this research field has not yet sufficiently penetrated in the Balkans, this paper will provide some insight into this relatively new concept that has gained the attention of many researchers from all over the world. This paper will explain what is entrepreneurial marketing as well as when, how and why this research field has emerged? Further, the paper will stress the need for entrepreneurial marketing, its characteristics as well as the main differences between entrepreneurial and traditional marketing. This study will also underline the importance of this new marketing paradigm for the success of small and medium-sized enterprises. At the end of the paper, the recommendations for the use of entrepreneurial marketing by SMEs as well as the proposal for future research directions in this field will be presented.

Keywords: Entrepreneurial Marketing, SMEs, entrepreneurship, traditional marketing, SME Marketing.

Introduction

Being aware that businesses today operate in an uncertain environment full of challenges characterized by globalization, strong competition, and rapid technology development, it is clear that all of these changes affect the way companies do business, especially small and medium-sized enterprises which in the absence of sufficient resources are forced to find alternative forms of marketing in order to maintain their market competitiveness.

This new field of study created on the intersection of marketing and entrepreneurship is relatively new and dates back to 1982. Since then even though many scholars have made efforts to find a unique EM definition there is still no universal agreement about it. Entrepreneurial marketing is characterized by seven dimensions such as; proactiveness, innovativeness, customer intensity, risk-taking, opportunity focus, resource leveraging and value creation (Hisrich and Ramadani, 2017; Morris et al., 2002), while the most common forms of entrepreneurial marketing are guerrilla marketing, buzz marketing, ambush marketing and viral marketing (Hisrich and Ramadani, 2018). All these dimensions and forms of entrepreneurial marketing are considered very important for SMEs because it is found that there is a strong relationship between entrepreneurial marketing and SME performance (Sadiku-Dushi et al., 2019).

Despite the fact that this field has ignited the curiosity of many researchers worldwide, there is a scarcity of the studies on the entrepreneurial marketing in Kosovo. Having in mind that SMEs

in Kosovo represent 99% of all registered companies and seeing that empirical studies show that entrepreneurial marketing has a positive impact on the performance of small and medium-sized enterprises, the aim of this study is to shed some light on this new field of study and therefore present this new marketing paradigm that can help companies to increase their performance, and to give an answer the question: **Why the entrepreneurial marketing it is important for Kosovar Entrepreneurs?** This question will be answered by highlighting the significance of this new marketing paradigm for SMEs.

The main contribution of this paper is *firstly* in increasing the knowledge about entrepreneurial marketing in general. *Secondly*, this study will highlight the importance of this marketing paradigm for Kosovar SMEs. And, *thirdly* this study may also act as the informational tool that can help other scholars and researchers who may be interested in deepening the research in this field.

Literature review

What is Entrepreneurial marketing

At the point when the number of entrepreneurial companies has grown, researchers in the field of marketing have noticed that there is a difference in a way that entrepreneurs do marketing comparing to larger companies. (Carson and Gilmore, 2000; Morrish et al., 2010). Noticing this difference scholars started to investigate this new forthcoming field which later will be known as “entrepreneurial marketing” that had emerged on the intersection between the marketing and entrepreneurship disciplines (Hills et al., 2010). By observing the connection between marketing and entrepreneurship it was realized that entrepreneurs are implicated in many activities that are vital to marketing theory (Collinson and Shaw, 2001). They have addressed the linkage that exists between these two fields and have proposed that entrepreneurial marketing represents the crossing point of these two fields (Morrish et al., 2010). The first researchers that have linked these two fields were Murray and Tyebjee in the 1980s (Hills and Hultman, 2011). The presence of similarities between the field of marketing and entrepreneurship suggests that research models and processes that are suitable to the marketing discipline can be applied and adapted to the field of entrepreneurship, and conversely (Carson and Coviello, 1996). Therefore, when researchers begun to stress the complementary roles of those two fields in a firm and especially in SMEs, marketing and entrepreneurship interface has become a rich focus for research (Hills et al., 2008).

The concept of entrepreneurial marketing was for the first time introduced in 1982 at a conference sponsored by American Marketing Association and the International Council for Small Business at University of Illinois in Chicago (Hills et al., 2008). This conference was a starting point that played role in increasing the interest in this newborn field. This conference was later followed by the first entrepreneurship and marketing symposium organized in 1986 (Hills et al., 2010). The symposium was shown to be very successful and it is still being organized every year. The topic of entrepreneurial marketing entered in Europe in 1995, whereas in 2003 for the first time this topic has crossed the Anglo-American borders by the organization of a symposium related to marketing, entrepreneurship, and innovation in Karlsruhe, Germany (Ionita, 2012). Even though new field of study entrepreneurial marketing scholars from 1999 and onwards are given the opportunity to publish their papers in different journals covering this field such as; Journal of Research in Marketing and Entrepreneurship, Journal of Marketing Theory and Practice, International Journal of Technology Marketing, European Journal of Marketing, Marketing Education Review and Management Decision, Journal of Marketing: Theory and Practice (Hills et al., 2010), as well as International Journal of Entrepreneurship and Innovation Management, Journal of Small Business Management,

International Journal of Entrepreneurship and Innovation Management which showed that entrepreneurial marketing has infiltrated also the entrepreneurship literature (Ionita, 2012). The growing interest in the intersection of marketing and entrepreneurship has resulted in publishing the first book "Entrepreneurial Marketing: Lessons from Wharton's Pioneering MBA Course" in 2001 by Lodish, Morgan, and Kallianpur which has improved the trustworthiness of entrepreneurial marketing due to the extraordinary reputation of the Wharton's Business School (Hills et al., 2008). This book was later followed by other books written by different authors who contributed in new awareness about EM. The growing importance and interest in this field has caused the incorporation of entrepreneurial marketing in many university syllabuses around the world.

As a new field of study the entrepreneurial marketing offered an opportunity for the development of several research streams which consequently resulted in different views and definitions of EM concept. In literature there is a number of definitions ranging from ones that consider EM as a marketing of small companies (Hill and Wright, 2000), others that make no division regarding company size or age (Kraus et al., 2009; Morris et al., 2002), or the ones that highlight the different aspects of EM such as innovativeness (Stokes, 2000) and value creation (Morris et al., 2002; Whalen et al., 2016). Nevertheless, the evident fact in all the definitions is that they contain marketing and entrepreneurship elements.

The EM definition offered by Morris is the most frequently definition used in literature. He defines EM as "proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to the risk management, resource leveraging and value creation." (Morris et al., 2002. p. 4). Another more frequent EM definition explains this paradigm as "as an inexpensive form of marketing that is suitable especially for SMEs who due to their limited recourses take innovative approaches and calculated risk-taking actions, and proactively use every opportunity to attract more customers through creating superior value in order to increase their performance" (Sadiku-Dushi and Ramadani, 2018. p.724)

Why the Entrepreneurial Marketing is needed

During those almost four past decades, academics have doubted the capability of traditional marketing and they have recommended that there is a need for a new marketing paradigm. There are numerous empirical studies that found that the concepts of traditional marketing cannot be used by all kinds of firms. Such an example can be found in a work of Hultman and Shaw (2003) who found that companies that offer services often perform various activities that are not supported by the traditional marketing mix model. Those activities are related to the building of reputation through referrals, goodwill, word of mouth and establishment of long-term personal relations. In another study conducted by Constantinides (2006), it was found that the concept of the traditional marketing mix lacks customer orientation and interactivity. Today's changing, challenging and turbulent environment characterized by chaos, risk turbulence and insecurity was also a reason for creating a need for a new marketing paradigm that is necessary especially for small companies. These characteristics are having an important impact on marketing in a global economy where customers are becoming more demanding (Hills et al, 2008). According to Day and Montgomery (1999), there are few changes such as; connected knowledge economy, globalization, convergence, fragmenting and frictionless markets, demanding customers and their improved behavior and, adaptive organizations that are of outstanding importance for the marketing field to follow a new direction. Therefore, researchers suggested some new marketing practices which will complement the traditional marketing practice. The globalization has caused some transformations to the traditional marketing and thus the creation and development of new nonconventional marketing forms (McKenna, 1991). As a result, EM came out as a new paradigm that helps companies to rethink the way they do marketing so they can be more responsive to these changes in the business

environment. Moreover, EM is capable of helping companies to survive and adapt to all the changes identified by Day and Montgomery (1999).

Hence, it is obvious that the greatest need for EM is in an environment that is characterized by instability, and when it is obvious that traditional marketing practices are no longer adequate (Collinson and Shaw, 2001; Morris et al., 2002). And, since today markets have these characteristics, the implementation of EM would be useful and essential for most of the companies operating nowadays (Morris et al., 2002). It is also worth mentioning that EM can be used in a different way at every stage of business expansion (Morris et al., 2002).

Entrepreneurial Marketing characteristics

There are a number of characteristics of entrepreneurial marketing that have been identified during the research in this field. According to Hills and Hultman (2006), the main characteristics of EM are: a) the entrepreneur is at the center of marketing, b) decisions are related to personal goals and long-time performance, c) development of smaller market niches with a tailored range of products and services d) low market power, e) marketing penetrates at all levels and functional areas of the firm, f) marketing is based on trust, personal reputation, and credibility, g) an intense focus on promotion and sales, h) lack of proper planning and strategy, i) dependence on the owner's intuition and experience, g) creation of individual values, k) lack of marketing resources, and lack of marketing division, l) rare formal market research, instead the use of personal networks and contacts, m) innovative product improvement, n) focus on proactiveness, opportunity recognition and calculated risk, o) flexibility and quick response to customer preference change, p) the continuous risk of market exit, and

q) a role for passion, enthusiasm, and dedication, as well as the passion for leading customers instead of following them.

Other EM characteristics incorporate a continuous focus on change, a greater willingness to take risks, and the ability to leverage resources (Morris et al., 2002). EM companies are usually aware that they are constrained by an unstable environment, and as a result, they cannot keep the same marketing strategy for a long period of time. Today's consumers have high expectations and their demand is changing constantly, that is why EM firms should persistently observe the market around them and should try to forecast market demands, and as a result, these firms should be focused on change.

Divergences among entrepreneurial and traditional marketing

Entrepreneurial marketing characteristics are the ones that distinguish EM from traditional marketing. These divergences can be seen from the context and practice point of view. As context concerned the divergences can be seen based on the diverse characteristics between large and small companies. Small companies being contextually unlike larger companies they use marketing differently (Hills and Hultman, 2006; Hills et al., 2008). From a practical viewpoint, the key difference is in terms of how marketing is done by managers compared to entrepreneurs because as marketing is concerned the entrepreneurs think and behave differently from large company owners (Gilmore et al., 1999). Zontanos and Anderson (2004) argued that the active role of the entrepreneur is what differentiates entrepreneurial marketing from traditional marketing. On the other side, Dew et al. (2009) found five main divergences between the entrepreneurs and non-entrepreneurs way of thinking starting from their vision for the future, making marketing decisions, their approach toward risk-taking, their attitude toward outsiders and, the way they approach unexpected contingencies. Further, Hills et al. (2010) in their study found that traditional marketing is different form entrepreneurial marketing also regarding their view on market involvement, passion for customers, planning horizon, relationship and networks, and formal plans. Similarly in another research Hills and Hultman (2011) also gave an significant separation between traditional and entrepreneurial marketing by

pointing out that entrepreneurial marketing is practiced by entrepreneurs and is the consequence of how they understanding information, how they make decisions and how they proceed with marketing actions.

Conclusion and further research directions

The aim of this paper was to shed some light on this new field of study and therefore present this new marketing paradigm that can help companies to increase their performance, and to give an answer the question: Why the entrepreneurial marketing it is important for Kosovar Entrepreneurs?

Based on the extensive literature review related to this topic it can be concluded that entrepreneurial marketing is a relatively new field of study that is created on the intersection of the fields of marketing and entrepreneurship and that there is still no universally accepted definition. The most common EM types are guerrilla marketing, buzz marketing, viral marketing, ambush marketing, and social media marketing, whereas the most frequently used dimensions are proactiveness, opportunity focus, calculated risk-taking, innovativeness, customer intensity, resource leveraging and value creation. Also it can be concluded that empirical studies in the field have found that EM positively impacts the performance of small and medium enterprises.

Since the environment where Kosovo companies operate is characterized by high competition, turbulence and change it can be concluded that EM is very important for Kosovo Entrepreneurs based on the fact that empirical studies found that EM is extremely important for the success of especially small and medium enterprises and that it positively impacts the SME performance. Also due to the large number of SMEs in Kosovo, EM may be considered as the only suitable way of doing marketing for SMEs since it is considered as a very inexpensive and innovative form of doing marketing. Due to the mentioned importance of the EM for SMEs it is recommended to incorporate the EM subject in the university syllabuses in order to be better understood and implemented by the SME owners or managers. Also, business owners should pay more attention to this inexpensive form of marketing. Moreover, researchers should consider switching their study interest from traditional to entrepreneurial marketing in their future research.

Further research should be focused into linking the EM theory to practice by empirically investigating in more details all the areas of this field including EM strategies, EM types and different EM dimensions and linking them to the measurable SME outcomes.

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